

## NATIONAL PLANNING COMMITTEE

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Shri Gulzarilal Nanda	The Hon'ble Mr. Shuaib
Shri J. C. Kumarappa	Qureshi.
(Resigned)	

K. T. Shah

Hon. Gen. Secretary

(Representatives of the different Govts. & States)

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Hon. Mr. L. M. Patil, Minister for Industries, Bombay.  
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Development of Bihar  
Hon. Mr. C. J. Bharuka, Minister for Industries, C.P.  
Mr. P. B. Advani, Director of Industries, Bombay.  
Mr. M. B. Pillai, Director of Industries, Bihar.  
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Mr. A. Mohiuddin, Director of Industries, Hyderabad Dn.  
Mr. M. S. Ramchandra Rao, Director of Industries, Mysore  
Mr. S. M. Pagar, Development Commissioner, Baroda.  
Mr. A. B. Thadani, Director of Industries, Sind.  
Mr. C. A. Mehta, Director of Industries, Baroda.

# REPORT

## NATIONAL PLANNING COMMITTEE

*Edited by*

**K. T. SHAH**

*Hon. Gen. Secretary*

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C O P Y

From:—The Hon. Pandit Jawaharlal Nehru,  
Chairman, The National Planning Committee,  
New Delhi.

To:— Dr. B. Pattabhi Sitaramayya,  
President, Indian National Congress,  
New Delhi.

My Dear Rashtrapati,

I enclose a report of the proceedings of the Final Meeting of the National Planning Committee on the 26th March 1949 in New Delhi.

The National Planning Committee was constituted by the then President of the Congress, Shri Subhas Chandra Bose, towards the end of 1938. It had a chequered career owing to the war and the arrest of many of its members. Unfortunately, it could not complete its labours in the manner intended. Nevertheless, it persisted in spite of all kinds of difficulties and collected and produced a considerable amount of worthwhile material for planning. This consists of 26 volumes containing the sub-committees' reports and a volume containing the report of the National Planning Committee itself. This report of the N.P.C. is a factual account of what it has done. We have not at this stage considered it necessary or desirable to collate all this vast material or to pronounce judgment on the many recommendations made. That is a matter now for the National Government to take up.

The National Planning Committee felt that it had completed its labours and there was therefore no reason for it to continue to exist as such committee. By a resolution, therefore, it decided to dissolve itself after the presentation of its report to the President of the Indian National Congress, who had appointed the Committee in the first instance. The Committee therefore stands dissolved now.

But it has left a child behind to continue in some part the work of the N.P.C. I would draw your attention to the Resolution 6, passed at the last meeting of the N.T.C. This appoints a committee consisting of six members, including the President of the National Congress, to draw up a scheme for the continuation of the work of publication of reports and statistical data.

As Chairman of the Committee, I am sending you those papers containing the last stage of the Committee's work. All the reports of the Sub-Committees as well as the report of the N.P.C. itself have, I understand, been sent to you by the Honorary Secretary, Prof. K. T. Shah. I shall gladly send you any further copies if they are needed.

I shall be grateful to you if you will place these papers and reports before the Working Committee for their information. I shall also appreciate your informing me of your acceptance of the membership of the committee referred to in Resolution 6.

Yours sincerely,  
Sd./- J. NEHRU.  
Chairman

*First Edition, June, 1949.*

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## INTRODUCTION

To

The Hon'ble Pandit Jawaharlal Nehru,  
Chairman, National Planning Committee,  
Roberts Road,  
New Delhi.

Sir,

The National Planning Committee was appointed by the then President of the Congress in October, 1938, under the terms of Resolutions of the Ministers of Industries' Conference given below :—

1. "This Conference of the Ministers of Industries is of the opinion that the problems of poverty and unemployment, of National Defence and of the economic regeneration in general cannot be solved without industrialisation. As a step towards such industrialisation, a comprehensive scheme of National Planning should be formulated. This Scheme should provide for the development of heavy key industries, medium scale industries and cottage industries, keeping in view our national requirements, the resources of the country, as also the peculiar circumstances prevailing in the country.

The Scheme should provide for the establishment of new industries of all classes and also for the development of the existing ones.

### *Large Scale Industries*

2. This Conference, having considered the views of several Provincial Governments, is of the opinion that pending the submission and consideration of a comprehensive industrial plan for the whole of India, steps should be taken to start the following large scale industries of national importance on an all-India basis and the efforts of all Provinces and Indian States, should, as far as possible, be co-ordinated to that end :

(a) Manufacture of machinery and plant and tools of all kinds;



- (b) Manufacture of automobiles, motor boats, etc., and their accessories and other industries connected with transport and communication; 19
- (c) Manufacture of electrical plant and accessories; 20
- (d) Manufacture of heavy chemicals and fertilisers; 21
- (e) Metal production; 22
- (f) Industries connected with power generation and power supply. 23

### *Planning Committee*

3. With a view to doing preliminary work for giving effect to the resolutions 1 and 2, this Conference appoints a Planning Committee, the personnel of which will be announced later by the Congress President.

To enable this Committee to commence work forthwith the different Provincial Governments are requested to make suitable financial contributions. The Committee will submit its Report to the Congress Working Committee and to the All-India National Planning Commission provided for hereafter within four months of the commencement of its sitting.

4. This Conference is further of opinion that a Commission, fully representative of All-India, including the British Indian Provinces and the Indian States, should be appointed for the purpose of giving effect to resolutions 1 and 2 after due consideration of the recommendation of the Planning Committee. The Commission to be called the All-India National Planning Commission, shall consist of the following members with powers to elect :—

- (a) One nominee of the Government of each Province or State co-operating in this work;
- (b) Four representatives of the Federation of Indian Chambers of Commerce;
- (c) A representative of the All-India Vedic Industries Association; and
- (d) All members of the Planning Committee mentioned in Resolution No. 3.

### *Expert Advisers*

The Planning Committee and the All-India National Planning Commission shall have a paid non-member Secretary with the necessary staff. The Commission shall, at its first meeting, frame rules for its own procedure.

The Commission may appoint a Sub-Committee or Sub-Committees of experts to report to it on technical or financial aspects of any industry under consideration and may, for expert investigation, employ suitable technicians.

The Commission shall submit interim reports on each industry by definite dates to be fixed by the Commission at its first meeting.

### *First Meeting*

The first meeting of the All-India National Planning Commission shall be presided over by the President of the Indian National Congress. At that meeting the Commission shall elect its own Chairman, who, if not already a member of the Commission, shall, ex-officio, become a member of that body.

The Commission shall in its Report, formulate complete schemes including recommendations on the following points :—

- (a) Place or places where a particular industry shall be established with due regard to all relevant circumstances, such as the supply of raw materials, natural and local advantages, facilities, etc.;
- (b) Method of organisation of industry, whether it should be under complete State control or under private enterprise and, in the latter case, the mode of State aid;
- (c) The method of financing the industry and its management.

Each co-operating Province and State shall make an equal financial contribution to the Commission to meet necessary expenditure.

As soon as the All-India National Planning Commission comes into existence, the Planning Committee provided for in Resolution No. 3, will be absorbed in the Commission and will place before the Commission all the facts, materials, reports, etc., collected or drawn up by it.

Mr. V. V. Giri, Minister of Industries, Madras, will take the necessary steps in bringing into existence the All-India National Planning Commission and will also convene the first meeting of the Commission.

#### *Power Alcohol*

5. This Conference is of opinion that, it is of national importance that industrial and power alcohol should be manufactured in India and the necessary raw material, chiefly molasses, now available in India in huge quantities which is at present being wasted, should be fully utilised. This Conference has heard with satisfaction that the Governments of the Provinces of U.P., Bihar, Bombay and Madras, have schemes for the manufacture of power and industrial alcohol under their consideration. This Conference is of opinion that all the Provinces and States should fully co-operate and assist in the establishment and development of such an industry on an all-India scale, and to that end this Conference strongly recommends that necessary legislation should be enacted throughout India, to make illegal the sale of petrol unmixed with power alcohol for purposes of automobile fuel.

#### *Automobile Industry*

6. This Conference resolves that all the Provincial Governments and Indian States should co-operate with and assist one another in matters of marketing, industrial research, compilation and distribution of commercial and industrial intelligence, expert advice and technical and vocational education.

7. This Conference favours the Automobile Project placed before it and recommends that the Planning Committee should examine the whole scheme in all its details and makes its recommendations to the National Planning Commission."

*Congress President's Nomination of the Members of the  
National Planning Committee*

The original committee, as appointed by Shri Subhas Chandra Bose, the then President, Indian National Congress, consisted of :—

1. Jawaharlal Nehru, (Chairman)
2. Sir M. Visveswaraya
3. Sir Purshottamdas Thakurdas
4. Dr. Megh Nad Saha
5. Mr. A. D. Shroff
6. Prof. K. T. Shah
7. Mr. A. K. Shaha
8. Dr. Nazir Ahmed
9. Dr. V. S. Dubey
10. Shri Ambalal Sarabhai
11. Dr. J. C. Ghosh.

The Committee, when it met in successive Sessions, co-opted the following:—

12. The Hon. Mr. Shuaib Qureshi
13. Shri J. C. Kumarappa
14. Mr. N. M. Joshi
15. Dr. Radhakamal Mukherjee
16. Shri Walchand Hirachand
17. Rani Lakshmibai Rajwade
18. Sm. Vijaya Lakshmi Pandit
19. Mr. Abdur Rehman Siddiqui
20. Shri Gulzarilal Nanda.

Those who had taken a lead in the establishment of the Committee were declared to be Ex-Officio Members by the Committee. They were:—

21. The Hon. Mr. V. V. Giri, Minister for Industries, Madras
22. The Hon. Mr. L. M. Patil, Minister for Industries, Bombay
23. The Hon. Dr. Syed Mahmud, Minister for Industries, Bihar.
24. The Hon. Mr. C. J. Baruka, Minister for Industries, C. P.

Those Governments, which had responded to the request of the N.P.C. for grants to enable the Committee to discharge its functions, were called upon to name their Representatives to aid the deliberations of the Committee, or the work of its various sub-committees. They were:—

25. Mr. P. B. Advani, Director of Industries, Bombay
26. Mr. M. B. Pillai, Director of Industries, Bihar
27. Mr. M. Khurshid, Director of Industries, Assam
28. Mr. A. B. Thadani, Director of Industries, Sind
29. Mr. K. D. Guha, Director of Industries, C. P.
30. Mr. A. M. Mohiuddin, Director of Industries, Hyderabad
31. Mr. M. S. Ramchandra Rao, Director of Industries, Mysore
32. Mr. S. M. Pagar, Development Commissioner, Baroda
33. Dr. C. A. Mehta, Director of Industries, Baroda.

The original intention of the nature and scope of work to be done by the Planning Committee is indicated by the Terms of Reference quoted above. The Committee itself conceived its task in a somewhat broader spirit as evidenced by their definition of a proper National Plan.

"Planning", they say, "under a democratic system may be defined as the technical co-ordination, by disinterested experts, of consumption, production, investment, trade and income distribution in accordance with social objectives set by bodies representative of the nation. Such Planning is not only to be considered from the point of view of economics and the raising of the standard of living, but must include cultural and spiritual values and the human side of life."

To satisfy this definition, and to carry out their conception of preparing a National Plan, the Committee proceeded to constitute several Sub-Committees with specific Terms of Reference given in Appendix IV.

Each Sub-Committee was to examine a specific problem or group of problems referred to it, and arrangements were made for joint sessions of two or more Sub-Committees whose work seemed to be inter-connected or overlapping. The Planning Committee itself also had informal Sessions at Bombay and Allahabad, before the main work of the Committee could begin, viz. consideration of the Reports of Sub-Committees. At these Meetings certain issues of general importance were taken up for informal exchange of views. Though no formal resolutions were adopted, a summary of the proceedings was made and kept on record.\*

To meet the expenditure in connection with the Committee's work and that of its Sub-Committees, a Budget was prepared on the assumption that the work would be completed in six months. One of the members was appointed Honorary General Secretary, an Office of the Committee organised and its control and supervision placed in charge of the Hon. General Secretary, who was also ex-officio member of all Sub-Committees, and expected to co-ordinate their work. Representatives of States and Provincial Governments were invited to collaborate with the Sub-Committees. Representatives were also nominated by several Sub-Committees to sit on their behalf on other cognate Committees, and give their point of view to other Sub-Committees. From the start onwards mutually connected aspects of National Planning were thus arranged to be examined in a co-ordinated manner, and reports submitted avoiding as much as possible any conflict between the several Sub-Committees' views.

The National Planning Committee itself held several sessions (1938-40) detailed in Appendix VII at which the Reports of such of the Sub-Committees as had presented their Interim or Final Reports were considered and Resolutions taken on the same.

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\* For details see Appendix VI. At these Meetings the Chairmen and Secretaries, of Sub-Committees and such other members as could be easily available were invited to be present and offer their views or suggestions on particular problems and the Resolutions to be taken by the Planning Committee itself.

To facilitate the preparation of a National Plan, an exhaustive Questionnaire was prepared and sent out to Governments, Universities, Public Bodies and well known individuals who were authorities in given subjects, for expression of their views on these questions. This Questionnaire, though exhaustive, was of a general character, which was elaborated by a supplementary Questionnaire of a more scientific or technical character. Many of the Sub-Committees, moreover, developed each its own Questionnaire in addition to the general and technical questions laid out in the main Questionnaire. Replies were received from some Governments, Public Bodies and Universities, but in every case extension of time was asked for and had to be granted again and again. Sub-Committees' Representatives have tried to conform as near as possible to these questions and to the Terms of Reference given to them.

The following Sub-Committees had reported before the work of the Planning Committee had to be suspended in 1940 :—

Final Report.	Interim Report.	No Report.
16	10	3

For details see Appendix V.

These Reports were considered and Resolutions taken by the National Planning Committee, as detailed in Appendix VIII. These Resolutions were tentative, being taken each on a separate Report, and, therefore, confined to the subject-matter, or angle of view, of that Report. They needed to be co-ordinated and integrated into a comprehensive National Plan complete in all items, stages and time-table, applicable to the entire country, and to all aspects of the national economy.

The guiding principles for preparing such a Plan were taken from a Resolution of the Indian National Congress at its Karachi Sessions in 1931, the Working Committee from time to time, and the Election Manifesto of the Congress Party issued at the time of the General Elections in 1936. Several other points were also taken from subsequent meetings of the Congress Working Committee as well as

the Directives issued by that Body from time to time. These are given in Appendix I.

The object and scope of the work before the National Planning Committee were explained in Notes submitted by the Chairman, as given in Appendix II. Instructions for the guidance of the Sub-Committees, based on these Notes and Principles, and elaborated by the Committee as a whole, were issued soon after the Committees were appointed. They were modified subsequently in 1945 in the light of the Wartime experience, and further instructions were added. These are given in Appendix III. A tentative programme of Priorities in Planning, with special reference to food, clothing and housing, was issued as a separate pamphlet about the same time and circulated to members of the main Committee as well as those of Sub-Committees.

Ad Hoc Sub-Committees were appointed to consider some specific problems, such as collection, compilation and presenting of statistics, and other data, as well as publicity for the Committee's work. At the last Sessions of the National Planning Committee in 1940, two Sub-Committees were appointed, viz:—one to deal with the Principles of Planning, and the other to suggest suitable machinery for administering the Plan if and when prepared. The Members of both these Sub-Committees were:—The Chairman, Pandit Jawaharlal Nehru, the Honorary General Secretary, and the Rt. Hon. Mr. Shuaib Qureshi.

These Sub-Committees were unable to function soon after their appointment owing to the Chairman being imprisoned and not allowed officially to deal with these matters while in Jail. The Hon. General Secretary prepared a Draft Report for both Sub-Committees which, however, could not be considered by the Sub-Committees, nor presented to the Planning Committee at their subsequent sessions. Lest the material thus prepared and put together be lost, it has been included in a combined Volume in the National Planning Committee Series, under the title of Planning, its Principles and Administration. The material not having been considered by the Sub-Committees or the



National Planning Committee, the Author alone is personally responsible for the opinions expressed or suggestions made therein.

During the interval between 1940 and 1945, the idea of planning the economic development of the country became popular, mainly because the intense and growing War demand for material and talent revealed this country's potentialities as well as lacunae. The Central Government, which had scarcely concealed their derision of the non-official body set up to prepare a National Plan in 1938, realised the need for co-ordinated programme of development needed to make the War Effort a success. They who had refused to render any financial aid to the Congress Committee on Planning set up a Planning and Development Department of their own, and placed it in charge of a retired Civilian who was also an experienced industrialist and businessman. An elaborate machinery of Consultative Committee, Industrial Panels, Policy Committee and the like were set up and large sums were voted to make the machinery function. Provincial and State Governments, on their side took the hint, and prepared their own Plans to absorb demobilised veterans in the normal life of the country and to develop the latent resources of each unit. Private individuals,—industrialists, publicists and businessmen took their cue and prepared Plans which were of varying degrees of comprehensiveness. There was abundant seed, many sowers and a rich harvest; but all the crop that could be raised was absorbed by the War Demand.

Soon after the formation of the Interim Government in September 1946, steps were taken to have a National Plan prepared. A Planning Advisory Board was appointed, in the first instance, with a limited reference to co-ordinate Plans already prepared by the Provincial or State and Central Departments, as well as official or non-official individuals, as also a tentative order of priority as well as suitable administrative machinery for giving effect to the Plan was sanctioned. This Board submitted its Report in December 1946. The Hon. Gen. Secretary of the N. P.

Committee was a member and Hon. Joint Secretary of this Board; and, in his capacity as member wrote a Dissenting Minute, which is included in the Board's Report.

About the same time the Chairman of the National Planning Committee, in consultation with the Hon. General Secretary and one of the founders of the National Planning Committee, the Hon. Mr. Giri, decided to have the Reports of the various Sub-Committees published. The Hon. Gen. Secretary was instructed to take all the necessary steps to do the needful.

As observed before, not all the Sub-Committees had made their Final Reports at the time the National Planning Committee's work had to be suspended in 1940. Even those which had been submitted in a Final or Interim form had become out-of-date, not only by the lapse of six or seven years since their preparation, but also by radical developments in innumerable directions during the War, vitally affecting the work of the several Sub-Committees. To take count as much as possible of all these, it was decided, while publishing each Report, to add an Introduction to each Volume so as to co-ordinate the subject-matter of each particular Report with the rest of the Report in the same group, and to integrate the results into a comprehensive National Plan. A Summary of Developments was likewise decided to be added so as to bring up-to-date as much as possible the subject dealt with in each Report.

In cases where the Sub-Committees had presented no Report, or collected no material, e.g. Crops—Planning and Production, the Hon. Gen. Secretary prepared his own Report which tries to meet the Terms of Reference in each case as much as lay within his knowledge and competence. Where the Report was Interim, it has been left so; but if any member has written any Note or Memorandum, that has been included. Where the Reports had been completed and finalised by the Sub-Committees themselves, they are published as they were presented. Resolutions of the National Planning Committee, whenever passed on any Report, have been added, together with Questions from the

main or special Questionnaire of each Sub-Committee to indicate the scope and nature of the work.

From the very commencement of its work, the Planning Committee had called upon the Sub-Committees to use every diligence in preparing and submitting their Reports. Repeated reminders had, however, to be sent before some Sub-Committees could complete their work. In some cases, the nature of the work itself, and developments during the War, made it inadvisable to complete the task. Even after the resumption in 1945, of the work of the Planning Committee and the decision to edit and publish the Reports, the Chairmen and Secretaries of Sub-Committees were called upon to finalise their Reports, wherever any final touches were necessary, or to prepare anew if those Reports were not ready. Some of these Chairmen and Secretaries responded; and Reports like that on Fisheries and Technical and Scientific Education, River Training and Irrigation Part III, were thus prepared during the interval that the Planning Committee was in cold storage or after the resumption of its work in 1945. Appendix XI gives a list of the volumes as finally published in the series.

At the several Plenary Sessions of the Planning Committee, detailed in Appendix VII the individual Reports of the several Sub-Committees were taken into consideration. Besides members of the parent Committee, the Chairmen and Secretaries of the Sub-Committees concerned were present. After consideration of the Report, the Planning Committee took its decisions on each Report and recorded them in the form of Resolutions given in Appendix VIII. These will require to be mutually co-ordinated, and a comprehensive Report of the Planning Committee made. Appendix IX gives a brief statement of the Plenary Session held in 1945-6.

The Committee, when first organised, had expected to complete its work within six months or one year; and for

that a budget was prepared as given below:—

The following budget of expenditure for six months ending 31st December 1939 was passed:— Rs.

1. Office Establishment	14,490
2. Travelling Expenses of Staff and Committee and Sub-Committee members and other expenses of sub-committee members	19,000
3. Printing, Postage and Stationery	6,100
4. Library and Reference books	1,000
5. Contingencies & Miscellaneous	9,000
Total	49,590

This was expected to be met by grants from Provincial Governments which, however, did not act up to the expectations of the Committee. The contributions received from Governments, Members of the Committee, and others are given in Appendix X.

The funds obtained for the first six months were soon exhausted, so that contributions had to be called for when the work of the Committee had inevitably to be suspended. It was decided that during the period it did not function actively, the office of the Committee should be maintained on as low a scale as possible and towards these expenses contributions were asked and received, as shown in Statement B. Some of the leading Members were requested to provide accommodation as well as the necessary funds.

For more than a year after the Planning Committee's work came to be suspended, the office continued to be in the Council Hall, Bombay, where it was given accommodation, rent-free, in November 1939. It was one of the last acts of the Congress Ministry before it resigned in November 1939. Thereafter the office was located in the Bombay University Buildings, North Wing, rent-free, there also, for more than five years.

Finally, when it was decided to edit and publish the Sub-Committee Reports, more space was required to accom-

moderate the larger staff necessary; and as in neither the University nor in any other Public Building was it possible to secure the necessary accommodation, the Authorities of the New India Assurance Company were approached, and with their generous help the necessary accommodation was found in their new building, also rent-free.

Another and more serious handicap of the Hon. General Secretary in preparing the Reports for publication was the lack of funds. On the resumption of the Committee's work in 1945, an appeal was made to Governments and some of the States to make fresh contributions to enable the Committee to complete its work and submit its Report. Some response was made by those addressed, as shown in Statement B. This was, however, not sufficient to meet all the expenses incidental to the preparation of the Reports; and so, on the recommendation of Dr. John Mathai, the then and present Finance Minister of the Government of India, Mr. J. R. D. Tata obtained for the Hon. General Secretary a Loan from Messrs. Tata Sons Ltd. of Rs. 25,000|-. Only Rs. 10,000 of this was taken early in 1947 to meet the current expenses, but even that amount was paid off as soon as the sale proceeds of the Series began to be received.

An Agreement has been made with the Publishers, Messrs. Vora & Co. to publish these Reports on a profit-sharing basis. This Committee retain the copyright in the publications, but take no responsibility for the loss, if any be incurred.

Notwithstanding frequent reminders, the Chairmen and Secretaries of Sub-Committees did not help in the task of editing, revising and bringing their Reports up-to-date, though in one or two cases specific Notes were added by individual members to clear up or elaborate some points in the Report. The burden of preparing for the press every Sub-Committee's Report, editing and bringing it up-to-date has, accordingly fallen almost entirely on the Honorary General Secretary, who would take this opportunity to apologise for any error or omission that may have

inadvertitiously crept in in any Report, particularly of those Sub-Committees the subject-matter of whose Reference does not come within his special studies. The several volumes of the Series have been printed in more than one press, where delays occurred owing to factors entirely outside the control of the Publisher or the Editor. The work has consequently taken much longer than was estimated at first. The Hon. General Secretary regrets the delay, and offers his apology for any inconvenience that may have been caused by such delay.

Please may I request you to forward this Report to the President, Indian National Congress, who had appointed the Committee in the first instance.

K. T. SHAH,  
*Hon. Gen. Secretary,  
The National Planning Committee.*

## NOTE ON THE FINANCIAL POSITION OF THE NATIONAL PLANNING COMMITTEE SERIES

When it was decided that the Reports of the Sub-Committees should be edited, brought up-to-date and published, an Agreement was entered into with Messrs. Vora & Co., Publishers Ltd. for that purpose. The substance of the Agreement was that the Publishers would take all risks of printing and publishing; and, after meeting all costs, the surplus profits, if any, should be divided equally between the National Planning Committee and the Publishers. The National Planning Committee also reserved the copyright in the Series, as well as the right to authorise translations in other languages, Indian or foreign, subject to the condition that the Royalty received would be shared equally between the Publishers and the National Planning Committee.

In all 26 Volumes have been published, without counting the Final Report of the National Planning Committee itself. This Report is also now published, though not a part of the Series. When first volumes began to come out, it was arranged to offer to any body or person who subscribed to the entire Series in advance as a Set, then calculated to be 25 Volumes in all, at Rs. 120/- and postage paid by the Committee, whereas to individual purchasers of particular volumes the cost would be Rs. 6/- per volume or Rs. 150/- for all the volumes, plus postage to be borne by the purchaser.

As it has turned out eventually, the Series numbers 26 volumes (priced at Rs. 6/- each), plus the Main Report of the Committee (priced at Rs. 10/-). Of these 26 volumes, 44,926 copies have been printed in all, (including 1,000 each of reprints of three volumes, viz. *Chemical Industries*, *Population*, and *Power and Fuel*). Of these, 1,431 copies

have so far been distributed free with the compliments of the Honorary General Secretary to Members of the National Planning Committee, as also to those of the Sub-Committees. To the former each volume in the Series was supplied free, while to the latter the volume containing their particular Report was given free. Wherever possible, an endeavour was made to avoid duplication so that the minimum necessary number of copies have been distributed free of charge.

In addition 1,083 copies have been sent out free for review. Other copies sent with the compliments of the Hon. General Secretary include those to the Congress President, the Speaker of the Constituent Assembly (Legislative) of India, the late Mr. Brelvi, Mr. J. R. D. Tata and Messrs. Tata Sons, Ltd, in recognition of the financial assistance, by way of a loan, and other facilities they had helped to provide for the National Planning Committee Series.

Between them, these two groups account for 2,514 copies. At Rs. 4/- per copy this would amount to Rs. 10,000/- in round terms.

Up to the time of the Final Meeting of the National Planning Committee, in all 630 orders were received for full Sets, against which Rs. 69,628-4-0, were received, leaving an outstanding of Rs. 6,633-15-0 (the odd figure of Rs. 662-3-0 in our favour accounts for deliveries against orders which were subsequently cancelled).

The actual sales including retail sales up to March 1, 1949, were 27,165 copies, being 11,204 by the Publishers and their Agents, and 15,961 by the Committee in full sets. This does not include sale of the 3 volumes published in March 1949, namely *Public Finance*, *Transport*, and *National Health*, though the sale proceeds of full sets subscribed for in advance have been included in the above figure as a mere matter of accounting. These may be said to have fetched Rs. 112,203-5-0 gross receipts. The total cost of production of all volumes may be taken at



Rs. 76,202-10-0. The balance would be gross profit of Rs. 36,000-11-0, of which the Committee's share would be Rs. 18,000/-. This will be further augmented by another Rs. 60,588 when all the Volumes now in stock i.e. 15,147 are disposed of, counting the sale proceeds at Rs. 4/- per volume. This means a gross profit for the National Planning Committee of Rs. 48,000 in round terms. In addition Rs. 1,000/- have been received on account of royalty for 2 volumes translated in Bengali by the Culture House of India.

Out of this amount, the Loan from Messrs. Tata Sons Ltd. of Rs. 10,000 has been repaid, and the National Planning Committee office maintained for two years and three months (1947-48 and Jan. Feb. March 1949) at Rs. 22,676-8-9. The balance in hand on 31-3-49 was Rs. 12,912-14-10. There has been since received from Messrs. Vora & Co. Rs. 2,500/- bringing the total to Rs. 15,412-14-10. In addition the outstandings to be collected amount to Rs. 6,633-15-0, while roughly Rs. 30,000/- are due from the Publishers as the National Planning Committee share of profits as and when the stock now on hand is disposed of.

In regard to the balance due from subscribers to full sets in advance, this would in all probability be collected when the last three volumes are sent out. Very little bad debt is anticipated. A few copies out of those in stock may be spoilt or shop-soiled. But on the whole even the stock on hand may safely be taken as fully realisable.

According to Resolution VII passed at the Final Meeting, Prof. K. T. Shah's loan has been returned, a bonus paid to the staff, and all travelling expenses met, leaving on hand a balance of Rs. 5,106-11-1 on 15-4-49.

*K. T. SHAH,*

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## STATEMENT 'A'

Consolidated Table of Attendance at National Planning Committee Meetings of  
Members, Co-opted Members, Ex-Officio Members, Government  
Representatives, Chairmen and Secretaries of Sub-Committees.

Names.	*	****							8
		1	2	3	4	5	6	7	
<i>Members</i>									
1. Pandit Jawaharlal Nehru .. .. .	..	5	14	25	16	11	1	3	1
2. M. Visveswaraya (Resigned) .. .. .	..	5	11	..	..	..	..	..	..
3. Purshottamdas Thakurdas .. .. .	..	5	14	4	..	..	..	..	..
4. M. N. Saha .. .. .	..	..	12	21	15	6	..	..	..
5. A. D. Shroff .. .. .	..	5	13	1	..	8	1	3	..
6. K. T. Shah .. .. .	..	5	14	25	17	11	1	3	1
7. A. K. Shaha .. .. .	..	5	14	21	17	..	1	3	..
8. Nazir Ahmed .. .. .	..	5	13	10	3	2	1	..	..
9. V. S. Dubey .. .. .	..	5	9	19	11	8	..	3	..
10. Ambalal Sarabhai .. .. .	..	5	7	24	17	11	1	3	..
11. J. C. Ghosh .. .. .	..	..	7	22	..	6	..	..	..
<i>Co-opted Members</i>									
12. Shuaib Qureshi .. .. .	..	..	13	22	12	9	1	..	1
13. J. C. Kumarappa .. .. .	..	5	12	..	..	..	..	..	..
14. N. M. Joshi .. .. .	..	..	1	17	1	11	..	..	..
15. Radhakamal Mukherjee .. .. .	..	..	14	24	17	..	..	3	..
16. Walchand Hirachand .. .. .	..	5	3	6	..	..	..	3	..
17. Rani Lakshmibai Rajwade .. .. .	..	..	..	..	..	..	..	..	..
18. Sm. Vijayalakshmi Pandit .. .. .	..	..	..	..	..	8	..	..	1
19. Abdur Rehman Siddiqui .. .. .	..	..	..	5	..	..	..	..	..
20. Shri Gulzarilal Nanda .. .. .	..	..	..	14	17	10	..	..	1
<i>Ex-Officio Members</i>									
21. V. V. Giri, Minister for Industries, Madras .. .. .	..	5	7	13	..	..	..	..	..
22. L. M. Patil, Minister for Industries, Bombay .. .. .	..	5	2	..	..	..	..	..	..
23. Syed Mahmud, Minister for Industries, Bihar .. .. .	..	..	7	..	..	5	..	..	..
24. C. J. Baruka, Minister for Industries, C. P. .. .. .	..	5	..	5	..	..	..	..	..
<i>Government Representatives</i>									
25. P. B. Advani, Director of Industries, Bombay .. .. .	..	5	12	8	4	3	..	..	..
26. M. B. Pillai, Director of Industries, Bihar .. .. .	..	..	1	..	..	..	..	..	..
27. M. Khurshid, Director of Industries, Assam .. .. .	..	..	5	..	5	6	..	..	..
28. Mr. Thadani, Director of Industries, Sind .. .. .	..	..	..	22	..	9	..	..	..
29. K. D. Guha, Director of Industries, C. P... .. .	..	..	..	..	..	5	10	..	..
30. A. M. Mohiuddin, Director of Industries, Hyderabad .. .. .	..	5	13	23	..	..	..	..	..
31. M. S. Ramchandra Rao, Director of Industries, Mysore .. .. .	..	5	7	..	..	..	..	..	..
32. S. M. Pagar, Development Commissioner, Baroda .. .. .	..	5	..	..	..	..	..	..	..
33. C. A. Mehta, Director of Industries, Baroda .. .. .	..	5	13	7	5	6	..	..	..

\* 1=1st Session —17th—21st Dec., 1938.—(5 Meetings in all)

2=2nd „ —4th—17th June, 1939.—(14 „ „ „)

3=3rd „ —1st—14th May, 1940.—(25 „ „ „)

4=4th „ —21st—29th June, 1940.—(17th „ „ „)

5=5th „ —30th Aug.—4th Sep., 1940.—(11 „ „ „)

6=6th „ —17th September, 1945.—(1 Meeting only)

7=7th „ —8th—10th Nov., 1945.—(3 Meetings „ „)

8=8th „ —9th July, 1946.—(1 Meeting only)

\*\* For the 6th and 7th Sessions the Chairmen and Secretaries of the Sub-Committees as were available in Bombay were also present. Dr. J. Mathai and Mr. J. R. D. Tata were present in these Sessions by special invitation. Mr. N. V. Phadke was present by special invitation for the 7th Session.

**STATEMENT 'B'**  
**THE NATIONAL PLANNING COMMITTEE**  
*Consolidated Statement of Receipts and Disbursements from 1-1-39 to 31-12-48.*

Period.	Contributions from Government and individuals.	Miscellaneous Income		Expenditure.	
		Rs.	a. p.	Rs.	a. p.
Jan. to June 39 ..	7,000 0 0	2	8 0	3,784	12 9
July to Dec. 39 ..	30,550 0 0	114	3 0	18,455	0 0
Jan. to June 40 ..	6,800 0 0	69	11 0	16,765	10 10
July to Dec. 40 ..	3,000 0 0	314	10 0	5,936	10 1
Jan. to June 41 ..	1,500 0 0	305	4 0	1,158	8 3
July to Dec. 41 ..	1,500 0 0	70	9 0	986	7 0
Jan. to June 42 ..	1,000 0 0	84	12 0	943	4 3
July 42 to Mar. 43 ..	.....	44	1 0	1,223	2 3
April 43 to Dec. 44 ..	1,500 0 0	76	0 0	2,244	2 9
Jan. 45 to Dec. 45 ..	4,831 0 0	484	8 0	2,021	10 0
Jan. to Dec. 46 ..	4,501 0 0	....		2,198	6 2
*Jan. to Dec. 47. Loan from Tatas ..	10,000 0 0	391	10 3	10,751	3 0
Jan. to Dec. 48. Trans- ferred from No. II A/c.	13,800 0 0	35	5 0	9,374	2 3
		6	6 0	75,842	15 7
	85,982 0 0	1,999	7 3		
	1,999 7 3				
Total ..	87,981 7 3			5,727	13 10
				Rs. 87,981 7 3	
				Rs. 81,570 13 5	
				Rs. 6,410 9 10	

Furniture, T/writers,  
Gestetner etc. during  
the whole period ..

Balance on hand on 3-12-48

\* The Loan from M/s. Tatas has been repaid by two cheques from A/c. II :—one on 10-11-47 for Rs. 2,000/- and the other on 28-12-48 for Rs. 5,000/- The balance of Rs. 3,000/- has been offset by an Order from them for 25 Sets worth a like amount.

## APPENDIX I

*Resolution on Fundamental Rights and Economic Programme passed at the Karachi Congress, 1931, and as subsequently varied by the All-India Congress Committee at its meeting in Bombay in August 1931.*

This Congress is of opinion that to enable the masses to appreciate what "Swaraj" as conceived by the Congress, will mean to them, it is desirable to state the position of the Congress in a manner easily understood by them. In order to end the exploitation of the masses, political freedom must include real economic freedom of the starving millions. The Congress, therefore, declares that any constitution which may be agreed to on its behalf should provide, or enable the Swaraj Government to provide for the following.

### *Fundamental Rights and Duties*

1. (i) Every citizen of India has the right of free expression of opinion, the right of free association and combination, and the right to assemble peacefully and without arms, for purposes not opposed to law or morality.

(ii) Every citizen shall enjoy freedom of conscience and the right freely to profess and practise his religion, subject to public order and morality.

(iii) The culture, language and script of the minorities and of the different linguistic areas shall be protected.

(iv) All citizens are equal before the law, irrespective of religion, caste, creed, or sex.

(v) No disability attaches to any citizen, by reason of his or her religion, caste, creed or sex, in regard to public employment office of power or honour, and in the exercise of any trade or calling.

(vi) All citizens have equal rights and duties in regard to wells, tanks, roads, schools and places of public resort, maintained out of State or local funds, or dedicated by private persons for the use of the general public.

(vii) Every citizen has the right to keep and bear arms, in accordance with regulations and reservations made in that behalf.

(viii) No person shall be deprived of his liberty nor shall his dwelling or property be entered, sequestered, or confiscated, save in accordance with law.

(ix) The State shall observe neutrality in regard to all religions.

(x) The franchise shall be on the basis of universal adult suffrage.

(xi) The State shall provide for free and compulsory primary education.

(xii) The State shall confer no titles.

(xiii) There shall be no capital punishment.

(xiv) Every citizen is free to move throughout India and to stay and settle in any part thereof, to acquire property and to follow any trade or calling, and to be treated equally with regard to legal prosecution or protection in all parts of India.

### *Labour*

2. (a) The organisation of economic life must conform to the principle of justice, to the end that it may secure a decent standard of living.

(b) The State shall safeguard the interests of industrial workers and shall secure for them, by suitable legislation and in other ways, a living wage, healthy conditions of work, limited hours of labour, suitable machinery for the settlement of disputes between employers and workmen, and protection against the economic consequences of old age, sickness and unemployment.

3. Labour to be freed from serfdom and conditions bordering on serfdom.

4. Protection of women workers, and specially, adequate provision for leave during maternity period.

5. Children of school-going age shall not be employed in mines and factories.

6. Peasants and workers shall have the right to form unions to protect their interest.

*Taxation and Expenditure.*

7. The system of land tenure and revenue and rent shall be reformed and an equitable adjustment made of the burden on agricultural land, immediately giving relief to the smaller peasantry, by a substantial reduction of agricultural rent and revenue now paid by them, and in case of uneconomic holdings, exempting them from rent, so long as necessary, with such relief as may be just and necessary to holders of small estates affected by such exemption or reduction in rent, and to the same end, imposing a graded tax on net incomes from land above a reasonable minimum.

8. Death duties on graduated scale shall be levied on property above a fixed minimum.

9. There shall be drastic reduction of military expenditure so as to bring it down to at least one half of the present scale.

10. Expenditure and salaries in civil departments shall be largely reduced. No servant of the State, other than specially employed experts and the like, shall be paid above a certain fixed figure, which should not ordinarily exceed Rs. 500/- per month.

11. No duty shall be levied on salt manufactured in India.

*Economic and Social Programme*

12. The State shall protect indigenous cloth; and for this purpose pursue the policy of exclusion of foreign cloth and foreign yarn from the country and adopt such other measures as may be found necessary. The State shall also protect other indigenous industries, when necessary, against foreign competition.

13. Intoxicating drinks and drugs shall be totally prohibited, except for medicinal purposes.

14. Currency and Exchange shall be regulated in the national interest.

15. The State shall own or control key industries and services, mineral resources, railways, waterways, shipping and other means of public transport.

16. Relief of agricultural indebtedness and control of usury direct and indirect.

17. The State shall provide for military training of citizens so as to organise a means of national defence apart from the regular military force.

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At its sitting in July, 1934, at Benares, the Working Committee passed the following resolution:—

*1 Swadeshi*

Doubts having arisen on the Congress policy in regard to Swadeshi, it has become necessary to reaffirm the Congress position on it in unequivocal terms.

Notwithstanding what was done during the civil resistance struggle, no competition is permissible on Congress platforms and in Congress exhibitions between mill-made cloth and hand-spun and hand-woven khadi. Congressmen are expected to use and encourage the use of only hand-spun and hand-woven khadi to the exclusion of any other cloth.

In regard to articles other than cloth, the Working Committee adopts the following formula for the guidance of all Congress organisations:—

“The Working Committee is of opinion that the activities of Congress organisations relating to Swadeshi shall be restricted to useful articles manufactured in India through cottage and other small industries which are in need of popular education for their support and which will accept the guidance of the Congress organisations in regulating prices and in the matter of the wages and welfare of labour under their control.”

This formula must not be interpreted to mean any modification of the unbroken policy of the Congress to promote the Swadeshi spirit in the country and to encourage the personal use of only Swadeshi articles. The formula is a recognition of the fact that the large and organised industries which can or do command State aid are in no need of the services of Congress organisation or any Congress effort in their behalf.

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At its meeting of October, 1934, at Bombay, the Indian National Congress passed the following resolution:-

*The All-India Village Industries Association*

Whereas organisations claiming to advance Swadeshi have sprung up all over the country with and without the assistance of Congressmen and whereas much confusion has arisen in the public mind as to the true nature of Swadeshi and whereas the aim of the Congress has been from its inception progressive identification with the masses and whereas village reorganisation is one of the items in the constructive programme of the Congress and whereas such reconstruction necessarily implies revival and encouragement of dead and dying village industries besides the central industry of hand-spinning, is possible only through concentrated and special effort unaffected by and independent of the political activities of the Congress, Shri J. C. Kumarappa is hereby authorised to form, under the advice and guidance of Gandhiji, an Association called the ALL-INDIA VILLAGE INDUSTRIES ASSOCIATION as part of the activities of the Congress. The said association shall work for the revival and encouragement of the said industries and for the moral and physical advancement of the villages, and shall have power to frame its own constitution, to raise funds and to perform such acts as may be necessary for the fulfilment of its objects.

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*Resolution on Agrarian Programme passed by the  
Lucknow Congress in April 1936*

This Congress is of opinion that the most important and urgent problem of the country is the appalling poverty, unemployment and indebtedness of the peasantry fundamentally due to antiquated and *repressive* land tenure and revenue systems and intensified in recent years by the great slump in prices of agricultural produce. The final solution of this problem inevitably involves the removal of British imperialistic exploitation, a thorough change of the land tenure and revenue systems and a recognition by the State



of its duty to provide work for the rural unemployed masses.

In view, however, of the fact that agrarian conditions and land tenure and revenue systems differ in the various Provinces, it is desirable to consult the Provincial Congress Committees and such peasant organisations as the Working Committee considers fit, in the drawing up of a full All-India Agrarian Programme as well as a programme for each Province. This Congress, therefore, calls upon each Provincial Congress Committee to make recommendations in detail to the Working Committee by August 31, 1936, for being considered and placed before All-India Congress Committee having particular regard to the following matters:—

1. Freedom of organisation of agricultural labourers and peasants.
2. Safeguarding of the interests of peasants where there are intermediaries between the State and themselves.
3. Just and fair relief of agricultural indebtedness including arrears of rent and revenue.
4. Emancipation of the peasants from feudal and semi-feudal levies.
5. Substantial reduction in respect of rent and revenue demands.
6. A just allotment of the State expenditure for the social, economic and cultural amenities of villages.
7. Protection against harassing restrictions on the utilisation of local natural facilities for their domestic and agricultural needs.
8. Freedom from oppression and harassment at the hands of Government officials and landlords.
9. Fostering industries for relieving rural unemployment.

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*Extract from Congress Election Manifesto issued in  
August 1936*

At the Karachi Session of the Congress in 1931 the general Congress objective was defined in the Fundamental Rights Resolution. That general definition still holds. The

last five years of developing crisis have however necessitated a further consideration of the problems of poverty and unemployment and other economic problems. With a view to this the Lucknow Congress laid particular stress on the fact that "the most important and urgent problem of the country is the appalling poverty, unemployment and indebtedness of the peasantry, fundamentally due to antiquated and repressive land tenure and revenue systems, and intensified in recent years by the great slump in prices of agricultural produce", and called upon the Provincial Congress Committees to frame full agrarian programmes. The agrarian programme which will be drawn up by the A.I.C.C. on the basis of these provincial programmes will be issued later.

Pending the formulation of a fuller programme the Congress reiterates its declaration made at Karachi—that it stands for a reform of the system of land tenure and revenue and rent, and an equitable adjustment of the burden on agricultural land, giving immediate relief to the smaller peasantry by a substantial reduction of agricultural rent and revenue now paid by them and exempting uneconomic holdings from payment and revenue.

The question of indebtedness requires urgent consideration and the formulation of a scheme including the declaration of a moratorium, an enquiry into and scaling down of debts and the provision for cheap credit facilities by the State. This relief should extend to the agricultural tenants, peasant proprietors, small landholders and petty traders.

In regard to industrial workers the policy of the Congress is to secure to them a decent standard of living, hours of work and conditions of labour in conformity, as far as the economic conditions in the country permit, with international standards, suitable machinery for the settlement of disputes between employers and workmen, protection against the economic consequences of old age, sickness and unemployment and the right of workers to form unions and to strike for the protection of their interests.

*Resolution on Agrarian Programme passed by Faizpur Congress in December 1936*

The Congress, at its last session, being fully conscious of the fact that the most important and urgent problem of the country is the appalling poverty, unemployment and indebtedness of the peasantry, called upon the Provincial Congress Committees to make recommendations to enable the All-India Congress Committee to draw up an All-India Agrarian Programme. Many P.C.C.'s have not yet submitted their recommendations for such a programme. The Congress regrets this delay but realises that the subject is a vast and intricate one, requiring close study and investigation. It trusts that such P.C.C.'s as have not reported so far will take early steps to send in their recommendations.

The Congress is convinced that the final solution of this problem involves the removal of British Imperialistic exploitation and a radical change in the antiquated and repressive land tenure and revenue systems. It feels, however, that the deepening crisis has made the burden on the peasantry an intolerable one and immediate relief is urgently called for. Pending the framing of an All-India Agrarian Programme, therefore, the following steps are necessary:

1. Rent and revenue should be readjusted having regard to present conditions and there should be substantial reduction in both.
2. Uneconomic holdings should be exempted from rent or land tax.
3. Agricultural incomes should be assessed to income tax like all other incomes, on a progressive scale, subject to a prescribed minimum.
4. Canal and other irrigation rates should be substantially lowered.
5. All feudal dues and levies and forced labour should be abolished, and demands other than rent should be made illegal.
6. Fixity of tenure with heritable rights along with the right to build houses and plant trees should be provided for all tenants.

7. An effort should be made to introduce co-operative farming.

8. The crushing burden of rural debt should be removed. Special tribunals should be appointed to inquire into this and all debts, which are unconscionable or beyond the capacity of peasants to pay, should be liquidated. Meanwhile a moratorium should be declared and steps should be taken to provide cheap credit facilities.

9. Arrears of rent for previous years should generally be wiped out.

10. Common pasture lands should be provided, and the rights of the people in tanks, ponds, wells, forests and the like recognised, and no encroachment on these rights should be permitted.

11. Arrears of rents should be recoverable in the same manner as civil debts and not by ejectment.

12. There should be statutory provision for securing a living wage and suitable working conditions for agricultural labourers.

13. Peasant unions should be recognised.

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At its sitting in August 1937, the Working Committee adopted the following resolution:—

The Working Committee recommends to the Congress Ministries the appointment of a Committee of Experts to consider urgent and vital problems the solution of which is necessary to any scheme of national reconstruction and social planning. Such solution will require extensive surveys and the collection of data, as well as a clearly defined social objective. Many of these problems cannot be dealt with effectively on a provincial basis and the interests of the adjoining provinces are interlinked. Comprehensive river surveys are necessary for the formulation of a policy to prevent disastrous floods, to utilise the water for purposes of irrigation, to consider the problem of soil erosion, to eradicate malaria, and for the development of hydro-

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electric and other schemes. For this purpose the whole river valley will have to be surveyed and investigated, and large-scale State Planning resorted to. The development and control of industries require also joint and co-ordinated action on the part of several provinces. The Working Committee advises therefore that, to begin with, an inter-provincial committee of experts be appointed to consider the general nature of the problems to be faced, and to suggest how, and in what order, those should be tackled. This Expert Committee may suggest the formation of special committees or boards to consider each such problem separately and to advise the provincial governments concerned as to the joint action to be undertaken.

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The Working Committee in July, 1938 adopted the following resolution:—

“With reference to the resolution passed by the Working Committee at Wardha on August 14-17, 1937, relating to the appointment of an Expert Committee to explore the possibilities of an All-India Industrial Plan, it is resolved that as a preliminary step the President be authorised to convene a conference of the Ministers of Industries at an early date and call for a report of the existing industries operating in different provinces and the needs and possibilities of new ones.”

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## APPENDIX II

### CHAIRMAN'S NOTE ON CONGRESS POLICY

The resolutions passed at the Conference of Ministers in October 1938, in pursuance of which this Planning Committee is being held, definitely approve of large scale industries. They indicate that a planning scheme which should include the development of heavy key industries, medium scale industries and cottage industries, should be drawn up.

A question is raised, however, as to whether it is open to the Planning Committee to consider the establishment or encouragement of large scale industries, except such as may be considered key industries, in view of the general Congress Policy, in regard to industry. This Congress Policy, as is well known, shows a strong bias towards the development of cottage industries, specially of hand-spinning and hand-weaving. It follows that the Congress would disapprove of any policy which came in the way of its development of cottage industries. But there appears to be nothing in the Congress resolutions against the starting or encouragement of large scale industries, provided this does not conflict with the natural development of village industries.

Since 1920, Congress has laid stress on hand-spinning and hand-weaving and that emphasis continues. In May 1929, the All-India Congress Committee passed a resolution to the effect that "in order to remove the poverty and misery of the Indian people and to ameliorate the condition of the masses, it is essential to make revolutionary changes in the present economic and social structure of society and to remove the gross inequalities." This resolution indicates an approval of socialistic theories, but apart from this general approval and some further advances in subsequent resolutions, the Congress has not in any way accepted socialism.

In March 1931, the Karachi Congress passed an important resolution on fundamental rights and economic programme. This resolution contained the following clause:

"The State shall own or control key industries and services, mineral resources, railways, water-ways, shipping and other means of public transport."

This was stated with reference to the future Swaraj Government which the Congress envisaged.

In July 1934, the Working Committee passed a resolution at Benares in which stress was laid on Congressmen using only hand-spun and hand-woven khadi to the exclusion of any other cloth. Further it was stated that the "activities of Congress organisations relating to Swadeshi shall be restricted to useful articles manufactured in India through cottage and other similar industries." It was further stated in this resolution that "large and organised industries are in no need of the services of Congress organisations or of any Congress effort on their behalf."

Three months later at the Bombay Congress the All-India Village Industries Association was formed. It is clear that the Congress considered it unnecessary to push large-scale industries through its organisation and left this to the State as well as to their own resources. It did not decide in any way against such large-scale industry.

Now that the Congress is, to some extent, identifying itself with the State it cannot ignore the question of establishing and encouraging large scale industries. Every provincial government has to face this issue and it was because of this that the Working Committee, as early as August 1937, recommended to the Congress Ministries the appointment of Expert Committees for purposes of national reconstruction and social planning. The Working Committee evidently had in mind large scale State planning which included big industry as well as cottage industry.

As no action was taken by the Congress Ministries on this resolution for nearly a year, a second resolution was

passed by the Working Committee in July 1938, authorising the President to convene a Conference of the Ministers of Industries. It was as the result of this resolution that the Delhi Conference was held, and the resolution under which this Planning Committee is functioning was passed.

It is clear therefore that not only is it open to this Committee and to the Planning Commission to consider the whole question of large-scale industries in India, in all its aspects but that the Committee will be failing in its duty if it did not do so. There can be no Planning if such Planning does not include big industries. But in making our plans we have to remember the basic Congress policy of encouraging cottage industries.

21st December 1938

Jawaharlal Nehru



CHAIRMAN'S MEMORANDUM  
DATED 4TH JUNE 1939

The first meeting of the National Planning Committee took place five and a half months ago in December last. A questionnaire was drafted at this meeting and this was sent to various Governments, universities, public bodies, chambers of commerce, trade unions, firms and individuals. It was hoped that the next meeting of the Committee might take place by the end of March but repeated requests were made by those to whom the questionnaire was issued for an extension of time. These requests were not unreasonable as the questionnaire was a difficult and exhaustive one and required considerable labour if satisfactory answers were to be given. An extension of time was therefore granted and this has led to a delay in our holding our Second Sessions. I trust the Committee will excuse this delay.

2. In the resolution of the Conference of Ministers of Industries by which this Committee was appointed, it was laid down that the Committee was to submit its report to the Congress Working Committee and to the All-India National Planning Commission within four months of the commencement of its sitting. That period is already over and we are far from the report stage yet. We have now received a considerable number of answers to our questionnaire and we have to consider them. We may have to appoint a number of sub-committees to investigate each individual problem separately, and then we have to meet again to consider the reports of these sub-committees. I do not think that at this stage these sub-committees will be required to make very detailed investigations and they should submit their reports within a reasonably short time.

3. I should like the preliminary report of the Planning Committee to be ready for presentation to the Congress Working Committee by October next at the latest.

This report will of course not embody the full planning scheme in all its details. For this further investigations will be necessary. This might be undertaken by this Committee or by the Planning Commission which it is proposed to set up. In any event it becomes necessary to request the Congress Working Committee to grant us an extension of time, and I would suggest that the 31st October 1939 would be a suitable time limit.

4. We have been asked to draw up a National Plan for India, or at any rate to indicate the general nature of such a Plan, the details of which can be filled in from time to time. Before we formulate such a Plan of national development, which is likely to cover all branches of material and cultural life of the country, we must be clear in our minds about our objective and the basic considerations which should govern such a Plan. It is clear that the drawing up of a comprehensive national Plan becomes merely an academic exercise, with no relation to reality, unless the Planning Authority, or those to whom it is responsible, are in a position to give effect to that Plan. If this authority is powerless or is circumscribed and restricted and its activities limited, it cannot plan.

5. It follows, therefore, that the National Authority which plans must also have full power to give effect to its planning. An essential pre-requisite for planning is thus complete freedom and independence for the country and the removal of all outside control. This implies that the country possesses in itself full sovereign authority to take any measures, adopt any policies, and form any relations with other countries as may seem best to its governing authority in the interests of the country and its people.

6. It is possible that in the event of the formation of a world union of free and equal nations, this sovereign authority might be voluntarily limited to some extent by each component unit in the interests of world planning and co-operation. But such a development would not come in the way of national planning. If it takes place on right lines, it might even help the planning within a

nation. In any event we need not take this, for the present, remote possibility into consideration.

7. National independence is thus an indispensable preliminary for taking all the steps that might be found necessary for carrying out the plan in all its various aspects. It is not even possible to draw up a plan on any other basis. At the present moment it is clear that not only have we in India no national independence, but we are hedged in and obstructed by numerous restrictions, limitations, safeguards and reservations which block our path to planning and progress.

8. Our Plan for national development must therefore be drawn up for a free and independent India. This does not mean that we must wait for independence before doing anything towards the development of planned economy. Even under existing conditions we must make every effort to adopt all measures and policies which develop the resources of the country and raise the standard of our people. All such efforts, however, must be directed towards the realisation of the Plan we have drawn for a free India. They should neutralise, as far as possible, the force of the existing restrictions on our constitutional powers, and should not create new vested interests, or further erroneous policies, which might form new obstacles in the achievement of our goal and the realisation of our full plan.

9. We have thus to draw up a full Plan which would apply to a free India and at the same time indicate what should be done now, and under present conditions, in the various departments of national activity.

10. The ideal of the Congress is the establishment of a free and democratic State in India. Such a full democratic State involves an egalitarian society, in which equal opportunities are provided for every member for self-expression and self-fulfilment, and an adequate minimum of a civilised standard of life is assured to each member so as to make the attainment of this equal opportunity a reality. This should be the background or foundation of our Plan.

11. The Congress has, in view of present conditions in India, laid great stress on the encouragement of cottage industries in India. Any planning must therefore take note of this fact and base itself on it. This does not necessarily mean a conflict between cottage industries and large-scale industries. A large number of essential industries, which are necessary for the independence and well-being of the country, must inevitably be on a large-scale. The very resolution appointing the Planning Committee calls upon us to provide for the development of heavy key industries, medium scale industries and cottage industries. It lays down that the economic regeneration of the country cannot take place without industrialisation. We have thus to expedite this industrialisation and to indicate how and where key and basic industries are to be started. We have to demarcate, in so far as is possible, the domains of large-scale and cottage industries, and where the latter have been especially fathered by the national movement, to give them every protection and encouragement.

12. The Congress has laid down in its Karachi resolution on Fundamental Rights that the State shall own or control key industries and services, mineral resources, railways, waterways, shipping and other means of public transport. The general indication of Congress policy is of vital importance and applies not only to public utilities but to large-scale industries and enterprises which are likely to be monopolistic in character. A legitimate extension of this principle would be to apply it to all large-scale enterprises. It is clear that our Plan must proceed on this basis and even if the State does not own such enterprises, it must regulate and control them in the public interest.

13. It may be impracticable to insist on State management of existing industries in which vested interests have already taken root. But wherever even an established industry, under private control, receives aid or protection from the State, or tends to develop into a monopoly, or comes into conflict with the general policy of the State in regard to workers or consumers, the State should take necessary steps to assure conformity in all such ven-

tures with its basic policy and with the objective laid down in the Plan.

14. The Karachi Congress resolution on Fundamental Rights further laid down that :

- (a) The organisation of economic life must confirm to the principle of justice, to the end that it may secure a decent standard of living.
- (b) The State shall safeguard the interests of industrial workers and shall secure for them, by suitable legislation and in other ways, a living wage, healthy conditions of work, limited hours of labour, suitable machinery for the settlement of disputes between employers and workmen, and protection against the economic consequences of old age, sickness and unemployment.

15. The resolution appointing this Committee does not mention agriculture as such, but it is impossible to conceive of any scheme of national planning in any country, and least of all in India, which does not include agriculture. Agriculture is and will remain the largest single industry of this country, and it is associated with a host of subsidiary industries. Any improvement of or variation in agriculture has far-reaching results in the economy of the nation. Cottage industries are intimately connected with it, more especially as providing suitable occupations for the spare time of the agriculturists. Agriculture must, therefore, inevitably be considered by this Committee in its scheme of national planning.

16. I suggest that some of the points noted above, and others of a like nature, might be considered by the Committee before we proceed to a detailed examination of the answers to our questionnaire and other problems. This will enable us to lay down our general policy and indicate our method of approach to the problem. It will also prevent a repetition of arguments on the same subject. We have to remember that the Plan must be a comprehensive programme of national development, each part

fitting into the other. It has to be viewed in this perspective and drawn up as such.

17. Prof. K. T. Shah has, at my request, very kindly prepared a rough sketch of a draft plan. I requested him to do so as I felt that some such draft would help us to view the subject as a whole and to consider its various aspects. This draft has been circulated to the members.

18. After we have discussed and laid down these points of basic policy, and examined briefly the replies to the questionnaire, we might proceed to the appointment of sub-committees. These sub-committees would then be guided by this policy as well as such further terms of reference as we might lay down. I think it is important that the sub-committees should meet soon and report as early as possible. We cannot afford to lengthen out our work. It is possible that some of the sub-committees might even report before our present session ends. We have asked the members of the Committee to come prepared to stay here for a fortnight.

19. We shall have to reorganise our whole office and make further arrangements about our finances. Work has grown and will grow rapidly and our present staff is unable to cope with it. I suggest that we appoint a sub-committee to go into this matter and report to us within a few days.

20. Our finances are at present low and Provincial Governments and States who are co-operating with us should be requested to send further and substantial contributions. The work this Committee is doing is essentially their work and they should not grudge us help. On our part we must organise our work as economically as possible. Although we are supported by various Provincial Governments and States we need not, and indeed we cannot afford to, fall into the bad habits of official committees and commissions which are notorious for spending on themselves large sums of public money. We should rather try to observe the standards laid down by the Congress for its committees.

*Jawaharlal Nehru*

### APPENDIX III

#### NOTE FOR THE GUIDANCE OF SUB-COMMITTEES OF THE NATIONAL PLANNING COMMITTEE

1. The National Planning Committee has been entrusted with a task which is vast in its scope, vital in its significance and intimately connected with the progress and future well-being of the people of this country. In order to have the fullest assistance and co-operation of others in this task, the Committee has appointed a number of sub-committees consisting of eminent and distinguished experts in various fields of national activity. Planning is a much used word in the world today; yet in India this is the first attempt to plan on a national basis and to co-ordinate the manifold activities of the nation. Many fundamental questions arise as to the nature of this Planning, the objective in view and the methods to be adopted. Final decisions on most of these questions will have to be taken at a later stage by the Planning Committee and the ultimate acceptance of those decisions and their application will lie with the representatives of the people. But there cannot even be an approach to planning without some clarification of the objectives and the methods to be employed.

2. The Chairman of the Planning Committee in a Memorandum which he presented, drew the attention of the Committee to some of the guiding principles and objects which should govern national planning. A copy of this Memorandum is attached to this note\* and the particular attention of all members of sub-committees is invited to it. This note has been prepared in further amplification of the Chairman's Memorandum for the guidance of the sub-committees. It is of the essence of planning that there should be co-ordination between various activities, and it thus becomes necessary that the various sub-committees should have a common purpose governing their

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\* See Appendix II, P. 25.



outlook and should co-operate together in building a National Plan which is an organic whole, each part of it having its proper place and fitting in with the other parts.

3. What is planning? Planning under a democratic system may be defined as the technical co-ordination, by disinterested experts, of consumption, production, investment, trade and income distribution in accordance with social objectives set by bodies representative of the nation. Such planning is not only to be considered from the point of view of economics and the raising of the standard of living, but must include cultural and spiritual values and the human side of life.

4. Such a plan thus requires a social objective and the power and authority to give effect to the Plan. If this power is limited in any way or there are other restrictions, political or economic, which come in the way of the working out of the Plan, no comprehensive planned economy can develop. Real Planning can only take place with full political and economic freedom, and a national plan must therefore be based on India having sovereign authority. At the same time, in view of present circumstances prevailing in the country, and the restrictions that have been imposed upon us, the Plan must also indicate what is immediately feasible and what steps should be taken, even under existing conditions, to work towards the realisation of the Plan and to secure the fullest possible utilisation of the national resources for raising the standard of life. Such steps must be in keeping with the scheme of a planned economy, and in no event must anything be done which might come in the way of that Plan.

5. There is a large measure of agreement in the country about our social objectives and yet there are vital differences also. It is possible that many of these differences might be resolved as a result of this enquiry. To some extent these objectives have been indicated by the Indian National Congress in a number of resolutions and by the general policy it has pursued. We must adhere to this general policy and keep these objectives in view. Reference has been made to these in the Chairman's Memorandum.



6. The Congress has laid stress for many years on the development of cottage industries and has sought to direct the attention of the country to the condition of the villagers. We cannot forget that emphasis or ignore the fact that all progress in India must be measured in terms of raising the standards of India's millions. An apparent conflict has arisen in the minds of some between the claims of cottage industries and those of large scale industries. This conflict is largely one of emphasis. It is clear that in India today the development of cottage industries on a vast scale is essential for the well-being of the masses. It is equally clear that the rapid development of large scale machine industry is an urgent need of the country. Without industrialisation no country can have political or economic freedom, and even cottage industries cannot develop to any large extent if economic freedom is absent. Without industrialisation also the rapid and effective raising of the standard of the people is not possible. Key industries, Defence industries and Public Utilities must be developed on a large scale. Even the development of cottage industries is helped greatly by the supply of cheap power and suitable machinery for cottage use which are obtainable from the working of large-scale enterprises. To some extent handicrafts and large scale industrial enterprises are complementary to each other. The problem before the country, therefore, is one of co-ordinated growth in both directions and the avoidance, so far as is possible of conflict between cottage industry and large scale industry.

7. The emphasis of the Congress on cottage industries is chiefly due to its desire to have a more equitable system of distribution and to avoid the evils that have resulted from indiscriminate and uncontrolled industrialism. Distribution is the vital corner-stone of any planned economy and the evils of industrialism can and should be avoided if there is an equitable system of distribution. In the National Plan for India a proper scheme of distribution must therefore be considered as essential.

8. The resolution of the Delhi Conference of Ministers of Industries which led to the formation of the National Planning Committee, is a clear direction to the Committee to hasten industrialisation, and calls for the development of heavy key industries, medium scale industries and cottage industries. These are the terms of reference of this Committee. It should be further remembered that the Congress had laid down in its resolution on Fundamental Rights that "The State shall own or control Key Industries and Services, Mineral Resources, Railways, Waterways, Shipping and other means of Public Transport."

9. The principal objective of planning the national economy should be to attain, as far as possible, national self-sufficiency and not primarily for purposes of foreign markets. This does not exclude international trade, which should be encouraged but with a view to avoid economic imperialism. The first charge on the country's produce, agricultural and industrial, should be to meet the domestic needs of food supply, raw materials and manufactured goods. But outlets for surplus goods may be exploited to meet the requirements of India's international indebtedness.

10. The fundamental aim to be kept in view is to ensure an adequate standard of living for the masses. An adequate standard of living implies a certain irreducible minimum plus a progressive scale of comforts and amenities. Estimates of economists in different parts of India put down this irreducible minimum at figures varying from Rs. 15 to Rs. 25 *per capita* per month in the present value of the rupee. The expression in terms of money is only used for the sake of convenience, the real measure being in terms of goods and services. An approximate estimate put the average annual income *per capita* at Rs. 65. This includes the rich and the poor, the town-dweller and the villager. The average of the villager is estimated to be somewhere between Rs. 25 and Rs. 30 per annum *per capita*. This implies not only a considerable deficit in

food supply, but also in other essential requirements of human existence. The national income must, therefore, be increased greatly during the next ten years to ensure an irreducible minimum standard for everybody. In order to secure this minimum standard, not only will it be necessary to increase production but also to bring about a more equitable distribution of wealth.

11. A really progressive standard of life will necessitate the increase of the national wealth five or six times. But for the present the minimum standard which can and should be reached is an increase of national wealth of between two and three times within the next ten years. It is with this object in view that we should plan now.

12. Planned advance has to be measured by certain objective tests from year to year. These may be laid down as follows:—

- (i) The improvement of nutrition from the standard of an irreducible minimum requirement of proteins, carbohydrates and minerals (as well as necessary protective foods) having a calorific value of 2,400 to 2,800 units for an adult worker.
- (ii) The improvement of clothing from the present consumption of about 15 yards on an average to at least 30 yards *per capita* per annum.
- (iii) Housing standards to reach at least 100 sq. ft. *per capita*.

13. Viewed from another standpoint the following indices of progress should be borne in mind:—

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| <ul style="list-style-type: none"> <li>(i) The increase in agricultural production;</li> <li>(ii) The increase in industrial production;</li> </ul>   | } | <p>To meet at least the requirements laid down in 12 (i) and (ii) above.</p> |
| <ul style="list-style-type: none"> <li>(iii) The diminution of unemployment;</li> <li>(iv) The increase in <i>per capita</i> income;</li> <li>(v) The liquidation of illiteracy;</li> </ul> |   |  |

- (vi) The increase in public utility services;
- (vii) Provision of medical aid on the basis of one health unit for 1,000 population;
- (viii) The increase in the average expectation of life.

Statistical data have to be collated and compared with a view to measure the progress of the Plan from time to time. The development of statistical work will be necessary to keep pace with the development of planning.

14. The different sectors of the Plan have necessarily to be co-ordinated. The essence of planning is an advance on all fronts. There must be agricultural planning, the object being that the country should be at least self-sufficient as regards food stuffs measured in terms of the food index given above, and as regards the quantity of raw materials, this should be raised by a pre-determined percentage. Soil conservation, afforestation, grass land management, flood control and river management and improvement of inland navigation and transport, improvement of live stock and fodder supply, are items in the planned programme which have not yet been taken up systematically. Power development and the conservation and development of coal and other kinds of fuel for industrial power also demand planning. More important is the planning of different kinds and types of industries, large, medium and cottage, which alone may effectively mitigate the present pressure of population on the soil. Within a decade the aim should be to produce a balanced economic structure in which about half the population would depend on agriculture.

15. Education, general and vocational, and developmental research also have to be included in a planned programme. The place and organisation of public services should be in keeping with the requirements of the Plan.

16. No planning can succeed if the rate of economic progress is outrun by the rate of increase in population. In the planned economy of India emigration shall not be based on the deliberate policy of developing population so as to create a surplus to settle in other countries but such

surplus may be allowed to emigrate through agreements with other countries with due regard to the rights of such settlers in those parts.

17. A ten year limit for the accomplishment of the Plan with control figures for different periods and different sectors of economic life should be laid down.

18. Defence industries should be owned and controlled by the State: Public Utilities could be owned or controlled by the State but there is a strong body of opinion which is in favour of the State always owning Public Utilities. Other key industries should be owned or controlled by the State.

19. Other conditions, such as availability of raw materials and resources and ready access to large consuming centres, being equal, special attention should be devoted in the Plan to the development of industrially backward regions. In recommending the distribution of the several industries all over the country, care should be taken to see that full opportunity is available to every Province and State to develop, as far as possible, its raw materials, employ its labour, and invest its capital.

20. Labour legislation and codes, health, sickness and unemployment insurance, national housing and social welfare schemes will have to be co-ordinated with the Plan. The Provinces and States will initiate these, but the National Planning Commission should lay down the general policy governing the minimum standard of wages and the employment of labour.

21. Provinces vary in capital resources and in the capacity for industrial experimenting and pioneering. It will be desirable for them to work through the National Planning Commission with its appropriate adjuncts.

22. As regards ways and means for a planned economic development in general the credit of the provincial and central Governments should be fully utilised to raise necessary finance, and the investment policy of the banking and insurance institutions of the country will have to

be changed in order to further industrial planning. Re-organisation and control of the currency system are essential for economic recovery.

23. A complete scheme of planned economy is a vast undertaking requiring full information and data and the willing co-operation of the technical experts, industrialists, administrators and the public at large. It is a progressive scheme being continually adjusted to changing conditions and always taking advantage of the experience gained in its working. The National Planning Committee is obviously not in a position to draw up such a complete scheme nor does it intend to do so at this stage. What is intended now is to lay the foundation of a planned economy on which the future structure can be built. But even at this stage the full picture must be envisaged, a complete outline drawn up, which can be filled in later as opportunity comes and further materials are available. India is one of the very few countries in the world which has practically all the resources within its borders of building up a planned system.

24. The Committee therefore proposes to proceed on the existing data, or on such materials as can easily be obtained and to draw up a broad outline picture.

It is hoped to present early next year a preliminary report which can be the basis for the next stage of planning. The sub-committees are requested to bear this in mind as the time factor is important. All the sub-committees should send their reports to the National Planning Committee by the 31st December 1939 at the latest. It is hoped, however, that such sub-committees as can do so will send their reports by the 31st October or earlier.

25. A schematic outline of national planning is appended herewith.\*

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\* The questionnaire as well as the schematic outline have been omitted from the Report.

To,

The Members, National Planning Committee, and  
Chairmen and Secretaries of the Sub-Committees

Dear Friend,

As you may be aware, the National Planning Committee held its full and formal sessions on the 8th, 9th and 10th November, 1945, at Bombay. At these sessions the report of the Sub-Committee, appointed to consider the changes and developments that had taken place during the war years, which affected the work of planning, as also to suggest certain specific matters of urgent importance was considered.

After careful and detailed consideration of that Report the Planning Committee resolved to embody its substance in fresh directives or further instructions to the Chairmen and Secretaries of the various Sub-Committees. You will accordingly find appended herewith further instructions, which, in so far as they concern the reference made to your Sub-Committee, should be taken into account before the report presented by your Sub-Committee is finalised.

Where any Sub-Committee has not presented or even prepared its Report, the undersigned requests that these instructions be also taken into account, along with those issued in 1939 which will be found in pages 77-82 of Handbook I.

The National Planning Committee has resolved that the Sub-Committees be requested, *finally*, to revise and bring up to date their reports which have been submitted, either as interim or final, not later than the middle of February next. Those Sub-Committees which have not yet submitted any Report are requested, within the same time limit, to prepare and submit the same for consideration by the main Committee at their next meeting.

The Committee consider that it would be needless expenditure of time if each Sub-Committee were, at this



stage, to convene meetings of all their members for drafting, considering or revising their report. It is, accordingly, suggested that the revision and bringing up to date of reports already submitted, as well as the preparation and completion of the reports in cases where no work has been done so far, be taken up as the task of the Chairman and Secretary concerned of the Sub-Committee concerned. Should they think it proper, and if time permits, their reports may be circularised to other members of their Sub-Committee; and their views or concurrence obtained by correspondence. In any case the report must be in the hands of the undersigned not later than the date mentioned above.

If in any case the Chairman and Secretary concerned desire assistance or explanation from this office they are requested to write as soon as possible, and state their requirements. The undersigned will do all he can to meet the same.

At the cost of repetition he would earnestly impress upon the Sub-Committees to do their utmost to expedite their reports so as to enable the Planning Committee to complete its work within the time limit they have set for themselves.

University Building,  
Ground Floor, North Wing,  
Bombay, 17-11-45

Yours sincerely,  
Sd. | K. T. SHAH  
*Hon. Gen. Secretary.*

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## REVISED INSTRUCTIONS AND DIRECTIVES TO SUB-COMMITTEES

1. The National Planning Committee having carefully considered the report of the Sub-Committee appointed to consider the changes and developments that had taken place during the war years, and to suggest certain specific problems of immediate importance, resolve to issue the following as further instructions to the Sub-Committees which should be taken account of, while preparing or finalising the report of each Sub-Committee. The objectives and assumptions, laid down in the first sessions of





the National Planning Committee in 1939, hold good even today.

2. The most important of these, the Committee believe, is that a proper, scientific alround planning and development of the aggregate economy of the country can only be achieved satisfactorily by a national government of India, commanding the full confidence of the people of the country, and their hearty co-operation.

3. It is also assumed that in all probability the future constitution of the country would be democratic, in which the claims of the several federating units, whether provinces, States or regions would be impossible to ignore. Regional planning, mutually co-ordinated in all respects, must also be part of the national programme, in order not only to ensure the fullest development of the available resources and to provide employment for all adult citizens competent to work, but also to guard against any outbreak of inter-provincial jealousies or rivalries resulting in avoidable impediments or dissipation of energy.

4. The list of objectives of the Plan, prepared by the Convenor, was next taken into consideration. It appeared to the Committee to be fairly exhaustive; and so no particular additions were suggested therein. Attention, however, was drawn to the objective, now being emphasised in all advanced countries, of providing full employment to all capable adult citizens, and ensuring social security of the entire working community on a proper provision against normal contingencies of life and work. The desirability of public outlay being undertaken if necessary, specifically to provide such employment, after private and institutional demand for skilled or unskilled labour had been met, was commended for consideration by the Planning Committee. The Sub-Committee believe that in a regime of planned economy, such work provided by public expenditure would be less expensive and easier to carry out than in an unplanned system.

5. Turning next to the important changes or developments that had taken place during the six years since the National Planning Committee had been established,

the Committee considered the list prepared by the Convenor in that behalf; and suggested that, while it was not competent for that body to make any detailed list of new scientific discoveries, technological improvements or mechanical inventions, which had taken place in the course of the war, or because of it, in issuing directions to the Sub-Committees, and laying down the general objectives of national planning afresh, attention should be invited to these developments as regards material processes, scale of production, etc. which had been, in many cases revolutionising important industries, and methods of production and distribution. New Industries, like plastics, or processes, and the equipment appropriate for the same, should be taken due account of by the Sub-Committees concerned in each case.

6. It is essential that much greater attention should be paid to making scientific and technical research as an integral part of planned economy. Universities and research institutions should be organized to permit of fundamental and basic applied research on the widest possible basis being undertaken in the country. Further, industrial research should be comprehensively planned and linked with the development of industries, and industrial research organisations created, best suited to the needs of individual industries.

7. To put research actively on a proper basis, highly trained personnel with first-class scientific ability in progressively growing numbers will be needed. To produce these workers, two things require to be done; (1) to build up as rapidly as possible institutions in India which can give the highest type of scientific training of the most varied type, and (2) to have men trained abroad to meet the scientific and industrial needs of the country in the very immediate future. For the first purpose, we should immediately send abroad selected personnel from scientific departments selected for development so that they may undertake to put their departments on a proper basis. For the second purpose, we should first decide the industrial projects which we plan to have fulfilled and then select

the most suitable workers capable of fulfilling them and send them abroad as teams with specific duties assigned to each of a team.

8. It may be added that in many industries now, the war has brought about many new processes, or inventions which, for reasons of national security, have been secret. The National Government will have to adopt the necessary ways and means to secure the use of such processes or equipment for planned industry in India. Trade treaties negotiated through the usual diplomatic channels must concern themselves increasingly with such matters to make up India's leeway in this behalf. The same may be said with regard to utilisation of waste products from existing industries; or provision of substitutes for industrial materials (e.g. synthetic rubber).

9. Equally important changes had taken place on the organisational or administrative side of public economy in every country, which must likewise be duly taken into account by the Sub-Committees concerned, as well as by the National Planning Committee.

10. The most outstanding example of such change is in the matter of public control of industry and business. It takes a variety of forms, e.g. price control, fixing the minimum as well as the maximum; rationing, supply of finished goods as well as raw materials; regulating transport and other utilities or services; licensing of dealers, and the like. Similarly there is control of labour organisations with a view to ensure continued production. This was necessitated for the war, and put up with during that period for reasons of military necessity; but may be demurred to after that compelling necessity is over. The principle of control, however, has come to stay, especially under planned economy. The Committee accordingly instructs its appropriate Sub-Committees to take note of this most important change and make their recommendations so that the least possible obstruction comes in the way of carrying out the national Plan. Work must not be stopped, if it could possibly be helped. A system of conciliation and compulsory arbitration in all labour disputes may be

necessary and the Sub-Committee concerned should be called upon to suggest the necessary machinery, with adequate safeguards for the effective protection of labour.

11. Perhaps the most considerable of the changes, which will react radically upon the principal objective of attaining national self-sufficiency, is in relation to the growing demand for international co-operation and the removal of trade barriers which had characterised international economic relations in the years before 1939. The Sub-Committee realise that there are many difficulties in the way of giving effect to the ideal of full and free international co-operation in matters economic; but if the ideal be accepted, these difficulties could be overcome. Nor need we apprehend that the increasing stress on international co-operation would materially prejudice the primary claims of national development by each country's government.

12. As part of the objective mentioned above of securing the fullest possible employment of all adult workers in the community, and ensuring their proper social security, reference was also made to the war-time development regarding the fixing of minimum and maximum prices for primary produce, as well as manufactured goods and services like shipping. The principle of price fixing had already been accepted. Even though introduced in response to the war-time emergency,—not always in the real interests of India,—it has continued in operation, and might continue even in normal times after the transition from war to peace has been effected. Corresponding to the policy of guaranteed minimum prices to the primary producer, there should be a reasonable relation between prices of agricultural products and manufactured goods. There is also the principle of a minimum wage as part of social security system. The Labour Sub-Committee of the Planning Committee has made recommendations on this point, and the Planning Committee has endorsed them. But the principle needs to be emphasised and universalised. Guaranteed prices, it need hardly be added, is one of the means for assuring social security to the large mass of the agricultural workers

in this country, whether owners of land themselves or tenants-cultivators. Landless labourers would have to be assured a minimum wage.

13. Most of the other important changes and developments, which may be taken to affect the country's aggregate economy, have been noted in the list. The Planning Committee consider it to be fairly exhaustive. The reaction of these changes or developments in particular items or aspects of planned economy will have to be taken into account by the Sub-Committees concerned, and a general pronouncement made on the same by the National Planning Committee.

14. Even though the Planning Committee is planning for the future, there are certain outstanding issues of immediate and urgent importance on which the Committee should issue a clear, unambiguous directive, not only to the Sub-Committees concerned, but also, if we may say so, to the country as a whole, and to the world at large. These are matters of national policy intimately touching national economy, on which the National Planning Committee cannot afford to be silent. One such problem or development is in regard to India's sterling assets.

15. The programme of intensive and rapid industrialisation of this country, as affected by the growth of international indebtedness, in which India has become a large creditor, and the locking up of Indian capital assets in the Sterling Balances in London, will require special consideration. As this is a matter inter-woven with the world economy as a whole, the Sub-Committee would leave it to the Planning Committee to give its directive on the subject, or enunciate a definite policy which it would recommend to the national government in that behalf.

16. Incidentally mention may also be made of the problem of foreign capital invested in industrial concerns in this country, and its reaction upon the management of such industries. National Planning would not be easy nor effective so long as any item, which is part of the Plan, is not fully amenable to the control of the National Government of India. The National Planning Committee has,

therefore, passed a suitable resolution regarding the scope allowed, if any, for investment to foreign capital in Indian industries which are integral part of the National Plan, and their claims for control and management of essential or important industries in this country.

17. A similar question arises in connection with the Defence Industries. The problem of national defence is not confined, in our times, to raising, training and equipping the forces deemed necessary to fight the country's battles by land, or sea, or air. These must be fed and clothed and moved from place to place as needed; and cared for when wounded. For all these, the industries supplying the necessary material must be developed and their development must be part of national security and the planned industrialisation of the country must take stock of them.

18. Another very important change, the Planning Committee consider, or development due to war, which has been least taken account of, is concerned with the great deterioration on the moral plane. Innumerable complaints have been made from non-official sources, and recorded even in official channels regarding corruption in high places, and the general decline in moral standards. No plan, however soundly framed, would succeed in execution, if the moral fibre of those entrusted with carrying it out is weak.

19. Coming next to the question of Priorities, the Committee was of opinion that the models of Priorities hitherto found,—e.g. in the Russian Plan, which led to the intensive development of heavy, or armament industries for reasons of national security,—will have their bearing upon the National Plan framed for this country. Any scheme of intensive and rapid industrialisation and all-round economic development must necessarily be based on the development of power, and place relatively greater emphasis upon key or basic industries, so as to make the country relatively self-sufficient in this vital concern, within a measurable or predetermined space of time.

20. At the same time the need for consumers' goods, especially after five or six years of war-time stringency and



repression of demand, cannot be overlooked. The problem of relative urgencies must be co-related with our resources as well as requirements. The Planning Committee consider the human needs for food, clothing and shelter the most important and urgent of all. They, therefore, consider that, with due regard to the needs of intensive industrialisation, all industries concerned with these primary needs of life, should be developed simultaneously, with as much attention to the needs of each unit, region, and industry as well as the consumer, as possible.

21. It has been assumed by the National Planning Committee from its very start that planning to be effective must be comprehensive, a simultaneous attack on all fronts of the national economy, so as to arrive at the desired goal, without creating any unnecessary local depressions or elevations which may lead to an avoidable lack of equilibrium. Note must, at the same time, be taken of the excessive development of certain industries, because of the war-time demands; and the need for such industries to be maintained, or safeguarded, after the war is over, if they can be easily fitted into the peace-time National Plan. Careful and detailed investigation will have, accordingly, to be made in individual industries, with a view to find out which of them need to be supported or safeguarded, and which would be too costly to be maintained, and should, therefore, be scrapped. Adequate protection, encouragement, or safeguard should be provided to such industries as are found deserving by an appropriate fiscal policy, which the National Planning Committee may recommend to the National Government after full consideration of the report made by the Sub-Committee investigating in this matter.

22. Side by side with this, the agricultural policy will likewise need to be intensively attended to. There is an amount of culturable waste land available in this country, which would demand, perhaps, the highest priority for being brought under plough. Primary produce would substantially be increased thereby. The economic organisation best suited for developing such land most effectively, collective, co-operative, or individualist, must be the province

of the appropriate Sub-Committee, dealing with the matter to consider and advise upon. The Planning Committee, therefore, direct the Sub-Committee concerned to consider this matter, and submit their report at an early date.

23. The National Planning Committee have taken note of the several plans for developments and industrialisation put forward by Departments of the Central Government or Provincial Governments or private individuals, as well as of the various declarations hitherto made on the subject of planning by the Planning and Development Departments of the Government of India; and consider that these plans are *ad hoc* proposals without proper interrelation as part of a common national plan of development. The plans, moreover, put forward by certain Departments the Central and Provincial Governments would involve heavy outlays in relation to development of railways or roads, education, promotion of public health etc., which, though essential and indispensable, need to be carefully co-related *inter se* as part of a common scientific and integrated National Plan so as to avoid lop-sided development and unbalanced economy.

24. Of the primary needs of man, the Planning Committee considered food and housing to be of immediate importance. War time has shown India to be lacking in self-sufficiency in the matter of food. The Committee thinks the lack is remediable from India's own resources, not only by intensive cultivation, but also by taking into cultivation culturable waste land as mentioned above. Adding to such facilities, as irrigation, fertilisers, and the like, that are calculated to add materially to the productivity of the land and the volume of food supply available in the country, will also serve the same purpose. Projects have already been taken in hand for establishing a fertiliser industry in the country, though the Sub-Committee doubts the supply of fertilisers as now planned, would be adequate, or their distribution proper. Special attention should be paid to seed-improvement and seed-multiplication.

25. It is necessary to have comprehensive surveys of



the major river systems in order to formulate a policy to prevent disastrous floods. To promote irrigation, and inland navigation, to prevent soil erosion, to eradicate malaria and to develop hydro-electric and other projects, national or inter-provincial river commissions, or something in the nature of the Tennessee Valley Authority should be constituted in order to give effect to this policy.

26. In regard to irrigation, the Sub-Committee consider that sufficient attention has not been paid to well and tank irrigation for developing lands which, otherwise suitable, were lacking in an adequate water-supply. The appropriate Sub-Committee should make specific recommendations in this behalf, paying particular attention to land improvement, afforestation and prevention of soil erosion and water-logging.

27. Regarding clothing, the Committee was of opinion that India could be easily self-sufficient in all respects of raw materials (except in regard to long-staple cotton), capital supply and skilled labour, even allowing for the planned expansion in demand, which would be necessitated by the improved standard of living of the people. In this connection the existing cottage industry of handloom production of cloth should be given every encouragement.

28. The problem in this case, the Committee would add, is more in respect of a proper distribution, suitable location and development of new concerns and expansion of existing ones in this industry, so as to pay all due attention to the various regions in respect of industrial development, employment of labour, as well as supply of an important item of national demand.

29. The Housing Sub-Committee has already made its recommendations, and the National Planning Committee have pronounced their opinion thereon. With the progress of industrialisation, humanisation will follow, and the housing need of the community become still more and more acute. The Sub-Committee concerned should, accordingly, be requested to review their recommendations, in the light of our needs and programme of development, paying due regard to such developments in the industry as

mass-produced standardised houses and their standard equipment, fittings and furniture.

30. Adequate housing for the entire population under the Plan is essential. In the case of industrial workers the primary responsibility for putting up such housing should be placed on the industry; but the financial burden of that responsibility should be shared equally between the State and the industry. As regards the rent, moreover, which may be charged for such accommodation, it will have to be borne in part at least by the State; that is to say if the economic rent making a reasonable return for the capital invested in housing is higher, as it very well might be in most cases of the working class tenants, the difference between the rent according to the worker's ability and that demanded by an economic return to the organisation providing the accommodation should be provided by the State. This recommendation seems to us to be indispensable if within a given time adequate housing accommodation is to be provided as part of the National Plan.

31. Hitherto the Committee has made no mention of small or cottage industries which still provide a very considerable amount of the country's requirements, particularly in regard to consumption. That does not mean that the Committee is unmindful of the place of importance of such industries. Until the country reaches the ideal of self-sufficiency the planning authority will have to pay every possible attention in this section of the country's industry. It may even have to be protected or safeguarded against competition from machine goods and the Planning Committee should, in their final Report, make appropriate recommendations in this behalf. The Committee desires to emphasise the important role of cottage industries in the national economy. They will provide a very considerable proportion of consumers' goods and employment to a very large number of workers. The Planning Authority will have to pay every possible attention to this sector of the country's industry. It may even have to be protected or safeguarded against competition from machine made goods. The organisation of cottage

and small scale industries in Industrial Co-operatives requires special attention. This may be found to be peculiarly suited to the conditions prevailing in India.

32. The foregoing remarks of the Committee do not exhaust the list of priorities. Social services, and cultural conditions are very backward in this country. Special efforts will, therefore, have to be made for the rapid, intensive expansion, improvement and development in public health, education, facilities for travel and entertainment, and other directions of cultural growth, social amenities and public utilities which must be simultaneously attended to in accordance with a pre-determined programme with specific targets and time-table.

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## APPENDIX IV

### LIST OF SUB-COMMITTEES WITH THEIR TERMS OF REFERENCE

#### *General Terms of Reference*

Each Sub-Committee to read through the replies of the questionnaire dealing with their particular subject, and draw a report to be submitted to the National Planning Committee.

Each Sub-Committee to submit a memorandum in continuation of the report dealing with the present state of affairs within its purview, lay down the objectives to be realised within a specific period and indicate the lines and methods by which the objective is to be achieved.

#### 1. AGRICULTURE

1. Rural Marketing and Finance.
2. River Training and Irrigation.
3. Soil Conservation and Afforestation.
4. Land Policy, Agricultural Labour and Agricultural Insurance.
5. Animal Husbandry and Dairying.
6. Crops—Planning and Production.
7. Horticulture.
8. Fisheries, (Marine and Inland).

This group of Sub-Committees deals with matters which are included, generally speaking, in questions Nos. 8-10, 41-65, 66-90 inclusive, of the Questionnaire.

##### *1/1. Rural Marketing and Finance*

This Sub-Committee deals with:—

- (a) organisation and technique of markets in rural areas at convenient centres;
- (b) storing and grading of commodities;
- (c) financing of such commodities while being marketed, and devising appropriate institutions and instruments to develop rural credit.

- (d) place and burden of middlemen in marketing;
- (e) the necessary transport facilities;
- (f) method of distributing the portion needed for local consumption;
- (g) organisation of the village community for efficient distribution of commodities and rapid turnover;
- (h) regulation and development of local trade, (including advertising) and control and regulation of prices;
- (i) correlating each unit's trade with the means of production within that unit;
- (j) organisation of the unit's trade with other units within the country or outside.

### *1/2. River Training and Irrigation*

The Sub-Committee deals with :—

- (a) the care of rivers (including river sanitation and water supply for human consumption);
  - (b) training of rivers for development of power;
  - (c) protection against floods;
  - (d) utilisation of rivers for navigation;
  - (e) providing adequate water for agriculture, by canal, well or tank irrigation;
- and any other questions connected with water supply and conservation.

### *1/3. Soil Conservation and Afforestation*

This Sub-Committee deals with :—

- (a) the protection against erosion, floods and other detrimental factors affecting the soil;
- (b) treating it with manure and fertilisers;
- (c) providing drainage and other facilities needed to guard against water-logging, weeds, etc.;
- (d) planting of new forests in areas denuded of forests;
- (e) care of existing forests and silviculture;
- (f) development of forest produce;

- (g) establishing or developing industries founded upon forest produce;
- (h) provision of transport facilities needed to develop forests;
- (i) reclamation of land;

and all other pertinent questions connected with silviculture and industries founded on forest produce.

*1/4. Land Policy, Agricultural Labour and Insurance.*

This Sub-Committee deals with:—

- (a) the use and ownership of land and their effects on cultivation and social stratification;
- (b) measures to be suggested for agrarian reform with a view to bring about an equitable distribution of land resources and their effective utilisation for the maximum benefit of the country;
- (c) land policy and legislation concerned therewith including the size of economic holdings, with due regard to the numbers to be supported, as well as to the full utilisation of the equipment available;
- (d) land revenue including Permanent Settlement, agricultural rent, other customary dues or cesses and charges, legislation affecting tenure of land, inheritance, alienation of agricultural land by sale to non-agricultural classes;
- (e) supply of cheap power for agricultural purposes;
- (f) ways and means of bringing under cultivation culturable waste;
- (g) agriculturists; co-operation for production and consumption;
- (h) rural indebtedness in relation to Land Policy;
- (i) other legislation affecting the life and activities of agriculturists;
- (j) agricultural labour including wages, hours of work, conditions of employment, efficiency of



labour, and legislation affecting the same; landless labourers, partial owners, and tenants or sub-tenants working on land; agrestic serfdom;

- (k) agricultural Insurance, including provision against famine, flood, loss of crops, diseases of cattle due to particular pests and other contingencies of agricultural life.

#### *1/5. Animal Husbandry & Dairying.*

This Sub-Committee deals with:—

- (a) Animal husbandry, comprising cattle breeding needed for farm labour, transport and food supply;
- (b) fodder for live stock and animal nutrition;
- (c) products of animals (hides, horns, hair, bones, guts, etc.) and their uses;
- (d) animal diseases and elimination of uneconomic stock;
- (e) Dairy products, including milk, butter, ghee, cheese, casein, and products therefrom;
- (f) poultry farming;
- (g) bee-keeping,  
and any other questions connected therewith.

#### *1/6. Crops—Planning & Production.*

This Sub-Committee deals with:—

- (a) development of scientific agriculture, with proper attention to bring about a suitable balance between food crops (wheat, rice millets, pulses, etc.) and commercial crops (cotton, jute, tobacco, tea, coffee, oil seeds, &c.);
- (b) fodder crops;
- (c) organisation of the agricultural community so as to utilise most efficiently the time and labour of the population by establishing, encouraging and developing appropriate subsidiary industries dependent on agriculture;

- (d) dissemination of technical information and practical demonstration of improved agricultural methods.

#### *1/7. Horticulture.*

This Sub-Committee deals with:—

- (a) market gardening, cultivation of vegetables, fruits, and flowers;
- (b) methods of fruit preservation (canning, making of pickles, etc. refrigerated gas storage of fruits and vegetables);
- (c) other subsidiary industries, e.g. essential oils, scents, attars &c., and any other questions connected therewith.

#### *1/8. Fisheries*

This Sub-Committee deals with:—

- (a) inland fishing;
- (b) coastal fishing;
- (c) deep sea fishing;
- (d) pisciculture;
- (e) fish products including fish oil and fish meal, dried and smoked fish;
- (f) marketing of fresh fish including cold storage and transport facilities.

## II. INDUSTRIES

1. Cottage and rural industries, including marketing and finance,
2. Power and fuel,
3. Chemicals,
4. Mining and Metallurgical industries,
5. Engineering industries (machines, machine tools and prime movers etc.) including transport industries,
6. Manufacturing industries,
7. Industries connected with public services such as education (press, cinema), sanitation, making of scientific instruments and appliances etc.



This group of sub-committees deals with industries including both small scale (or cottage) industries and large scale industries equipped with power-driven machinery and working for a large market, national or international.

The questions relating to these are comprised in the Questionnaire, particularly questions Nos. 10-16, 17-40, 146-151 and in the supplementary questionnaire Nos. 1-6, 17-26, 65-70 inclusive.

The following are the general terms of reference for this group of sub-committees; in addition to these general terms and references, specific terms for each of the special sub-committees will be found under the corresponding heading *infra*.

- (a) Location of industries, with due regard to the raw materials needed, power supply required, man-power available and market to be supplied. In cases where more than one locality has these facilities for establishing any industry, the problem of location will also comprise the co-ordination and rational distribution of several such establishments, so as to avoid over-production, misdirection of national energy, or internal rivalries. Due regard should be paid to the fullest utilisation by every unit in the country of all locally available raw materials, fuel or labour supply, and local or national market, in order to avoid any chance of monopolies being developed in industries under private ownership and management;
- (b) Conservation and full economic utilisation of natural resources, especially minerals and fuel sources;
- (c) The agency to conduct, control or supervise these industries,—whether individual, partnership firm, joint stock companies, statutory corporations, local bodies, provincial governments or national governments, Indian or non-Indian.

Policy and legislation relating to this question of the agency to conduct, control or supervise particular industries may be enumerated by all the sub-committees in this group sitting together. Ways and means of acquiring industries of national importance by Government if not under public ownership and management from the start.

- (d) Regulation and control of such monopolies including trust and cartels, as may have been developed in any industry (e.g., cement, or shipping, electrical, safety match);
- (e) Housing of industries in the appropriate buildings, equipment with plant and machinery; size of operations; rationalisation of existing industries, admitting of such improvement;
- (f) Finance of each of these group of industries to be considered in collaboration with special sub-committees dealing with industrial finance, both by way of initial and working capital;
- (g) Marketing of the produce, both in India and outside, with due regard to the maintenance of a reasonable stability of prices;
- (h) Protection, encouragement, assistance or safeguard of such industries by the State in appropriate form and to an adequate degree; particularly against international combines; consideration of the fiscal policy of the country;
- (i) Industrial Legislation, providing for control and supervision of industry, standardisation, maintenance of efficiency, rationalisation of work, regulation of markets etc., patents (and copyrights), licensing, and general policy regarding mining concessions;
- (j) Legislation regarding relations of employer and workmen, including the maintenance of industrial peace, together with ways and means for ensuring it;

- (k) Defining general policy affecting competition and co-ordination between cottage industries and industries worked by power-driven machinery;
- (l) to survey the present deficiency of technically trained men in all branches of industry, and suggest measures for making good the deficiency;

*N.B.*—The various sub-committees concerned should submit a note on this subject to the Technical Education Sub-Committee.

- (m) to consider measures for manufacture of the necessary machinery and apparatus and submit notes thereon to the Engineering Industries Sub-Committees.

The group of Key Industries is given on page 85.

*N.B.*—No mention is made here of industries concerned with consumption goods and services; but they will have to be taken up later.

#### *II/I. Cottage and Rural Industries.*

This Sub-Committee deals with:—

- (a) the survey of the condition of cottage and village industries, taking into consideration the raw materials available, the reasons for the decay of cottage industries and suggest ways and means by which the proceeds of production may be improved;
- (b) the problem of marketing and financing;
- (c) investigation of competition from centralised and foreign products, and from substitutes that have replaced products of cottage industries;
- (d) noting the change in demand and suggesting methods for improvement in quality and design;
- (e) measures to be suggested for the promotion and revival of these industries;
- (f) the incidence of taxation on these industries;

- (g) ways and means for standardising and regulating prices;
- (h) definition of cottage industry;
- (i) how many of these ought to be protected from factory competition?
- (j) in respect of those that are working for wages in such concerns, what are the conditions of work and wages and how do these compare with those prevailing in other employments in the area? Are "children" and women employed?

### *II/2. Power and Fuel.*

This Sub-Committee is required:—

- (a) to make a general survey of the present state of power supply from all sources;
- (b) to obtain information about the cost of production of power under different headings and of the rates charged for each kind of power supply;
- (c) to survey the potential resources of generation of power (from water, steam, oil, wood, industrial alcohol and other sources);
- (d) to recommend measures for development of cheap and abundant power supply for the work contemplated by the National Planning Committee;
- (e) to examine the present state of the law in regard to electric undertakings and suggest amendments, if necessary.

### *II/3. Chemicals.*

This Sub-Committee is required:—

- (a) to make a census of chemicals including fertilisers, produced in India and imported from abroad;
- (b) to survey the potentialities for the manufacture of chemicals in India;

- (c) to form an estimate of the country's requirements in chemicals on a progressive scale for the next ten years;
- (d) to recommend ways and means for developing chemical industries in order to supply the nation's requirements in the next ten years;
- (e) to recommend such legislation or special concessions as may be necessary for the encouragement and development of these industries;
- (f) to review the possibility of export trade in chemicals for the manufacture of which India possesses special advantages.

#### *II/4. Mining and Metallurgy.*

This Sub-Committee deals with:—

- (a) the present mineral production of India;
- (b) the future possibilities;
- (c) classification of the mineral resources essential for national defence and non-essential, and recommend the appropriate policy for each;
- (d) present position of laws of mineral exploitation, and modification of them to suit our goal;
- (e) present position of metallurgical industry, ferrous and non-ferrous;
- (f) national policy for use of metals in our industries looking into our national resources;
- (g) best position of locating these industries and ways and means of developing them;
- (h) national policy re: import of minerals needed for national defence.

#### *II/5. Engineering Industries & Transport Industries.*

This Sub-Committee is required:—

- (a) to make a general survey of the present annual imports of machines, machine tools and instruments and prime movers etc.;
- (b) to examine the present state of production in India of above;

- (c) to find out what will be the country's requirements, of machines, machine tools and prime movers, including automobiles, locomotives, wagons, ships, aircraft, and their parts and accessories during the next ten years with due regard to the relative urgency in different cases;
- (d) to recommend measures which should be taken to manufacture in the country India's requirements under (c) above.

#### *II/6. Manufacturing Industries.*

This Sub-Committee deals with:—

The general terms of reference and terms of reference under the group 'Industries'. This Sub-Committee may elaborate its own scope of inquiry.

#### *II/7. Industries Connected with Public Services.*

This Sub-Committee deals with:—

The general terms of reference and terms of reference under the group 'Industries'. This Sub-Committee may elaborate its own scope of inquiry.

### III. DEMOGRAPHIC RELATIONS

1. Labour (other than agricultural) and unemployment and efficiency of labour and labour policy.
2. Population.

#### *III/1. Labour.*

This Sub-Committee deals with:—

- (a) Labour other than agricultural labour, including the problem of unemployment;
- (b) the general policy relating to labour, with special reference to the terms and conditions of employment, rationalisation of output and efficiency, rates of wages, methods of wage determination, hours and conditions of work in factories, mines, workshops, plantations, railway and transport services, docks, etc.;

- (c) insurance against sickness, industrial accidents, old age, maternity, unemployment, and other contingencies of industrial life;
- (d) the problem of employment of women and children;
- (e) measures and legislation for the safety of workers in mines, factories, workshops, plantations etc.;
- (f) adequate provision for their housing, health and sanitation;
- (g) organization of labour;
- (h) provision of apprenticeships for industrial workers;
- (i) other incidents of industrial life, e.g. strike, lock-outs, and labour disputes in general, and the ways and means (including legislation) of settling them by conciliation or arbitration.

### *III/2. Population.*

This Sub-Committee deals with:—

- (a) population, including the problem of numbers and quality of population,
- (b) correlation of population with means of subsistence,
- (c) remedial measures, against over population, e.g. migration within the country and emigration beyond the frontiers, including the desirability thereof,
- (d) legislation or customs regarding age of marriage,
- (e) re-distribution of population within the country and outside the country, by negotiations,
- (f) other questions affecting the numbers, quality, and distribution of population and the rate of its growth.

## **IV. COMMERCE AND FINANCE**

1. Trade (inland and foreign).
2. Industrial finance.



3. Public Finance.
4. Currency and Banking.
5. Insurance.

*IV/1. Trade.*

This Sub-Committee deals with:—

- (a) Trade—local, inter-provincial, inter-regional and international;
- (b) the nature, volume and character of our domestic and foreign trade;
- (c) the treaties which have hitherto regulated any part of trade with other countries;
- (d) India's balance of international payments;
- (e) means of regulating and developing such trade so as to minister most effectively to the national prosperity, by means of bilated trade agreements, and advancement of the cause of Indian traders settled in foreign countries;
- (g) organised warehousing facilities.

*IV/2. Industrial Finance.*

This Sub-Committee deals with:—

- (a) financing of industries, large, medium, small or cottage, in the different parts of the country, with special reference to the devices or institutions such as industrial bank and co-operative credit societies;
- (b) attracting foreign capital and its regulation.

*N.B.*—Financing includes both working capital and fixed capital.

*IV/3. Public Finance.*

This Sub-Committee deals with:—

- (a) the present and prospective scale of expenditure by national as well as provincial and local governments and of the several states,
- (b) their sources of income through taxation, and income from public domain, public enterprise, and other receipts,



- (c) incidence of these burdens,
- (d) development of new sources of public income with a view to aiding the process of planned development and effecting re-distribution of national wealth. The Sub-Committee will suggest the maintenance and developmental Budget for each State and Province to assist effective carrying out of the Plan including the utilisation of Public Credit.

#### *IV/4. Currency and Banking*

This Sub-Committee deals with:—

- (a) banking and currency, including all forms of legal tender money as well as deposit currency,
- (b) the credit system of the country in general,
- (c) regulation and control of foreign exchanges,
- (d) regulation and control of the country's metallic reserves and other valuta for the service of foreign exchange,
- (e) the various types of banking including central banks, industrial banks and commercial banks, co-operative banks, land mortgage banks, postal banking, etc.,
- (f) ways and means of mobilising capital within the country and conserving the same for effective employment in the service of the country's agriculture and industry,
- (g) saving and investment habits, and
- (h) measures for linking up rural credit with the capital market.

#### *IV/5. Insurance.*

This Sub-Committee deals with:—

Insurance including Life, Accident, Fire, Marine and General.

*N.B.*—Industrial and Agricultural Insurance has been entrusted to separate Sub-Committees.

## V. TRANSPORT

1. Transport services: Railways, Roads, Rivers, Coastal and Overseas Transport and Air.
2. Communications: Telegraph, Telephone and Radio.

*V/1. Transport Services.*

This Sub-Committee deals with:—

- (a) all forms of transport by road, rail, riverways, coastal and overseas shipping as well as by air;
- (b) their rates, fares or freight charges, with due regard to the development of industries and inland trade;
- (c) the extension, improvement and increase of these facilities, with special reference to the construction of roads so as to link villages with markets and sub-divisional headquarters throughout the year;
- (d) co-ordination of road, rail and river traffic.

*V/2. Communications, Service and Industry.*

This Sub-Committee deals with:—

- (a) the organisation of Communications, including the postal service, telegraphs and telephones, as well as radio;
- (b) industries concerned with the manufacture, and connected with providing, of instruments and apparatus needed for telegraphs, telephones and radio and their parts and accessories;
- (c) encouragement of tourist traffic including hotels, travel agencies and banking facilities.

## VI. PUBLIC WELFARE

1. National Housing.
2. National Health.

*VI/1. National Housing.*

This Sub-Committee deals with:—

- (a) the provision of materials—brick, stone, cement, lime, wood, steel, glass, etc., needed for house-building of all kinds, and specialised labour needed;
- (b) prescribing of standards of housing accommodation for rural and urban areas, with due regard to climate, situation, kind of need to be met, with suitable provision of air, light, water, sanitary equipment and labour saving devices;
- (c) consideration of the problem of Town Planning, and the ways and means of relieving congestion of population, with the consequent adequate provision of transport, communications and recreational facilities;
- (d) agency, national, provincial, local or private, to provide housing;
- (e) any other questions connected therewith.

*VI/2. National Health.*

This Sub-Committee deals with:—

- (a) prescribing standards of dietary and nutrition for all classes of population;
- (b) consideration of the nature and incidence of the various epidemics which take a heavy toll of life, and suggestion of ways and means for guarding against these scourges;
- (c) investigation into the volume and causes of infant mortality, as well as mortality among women and suggestion of ways and means of reducing such mortality;
- (d) provision of the necessary health units, comprising physicians, nurses, surgeons, hospitals and dispensaries, sanatoria and nursing homes;
- (e) health insurance;
- (f) medical training and research;
- (g) compilation of Vital Statistics, including those of birth and death rates;

- (h) cultivation of the necessary drugs and production of medicines to provide the necessary preventive or curative aid and scientific surgical appliances and accessories of the National Health Services;
- (i) any other questions connected therewith.

## VII. EDUCATION

1. General Education—to collate the work of the Wardha Committee and of the Expert Committee appointed in the provinces, mobilisation of labour for social service.
2. Technical Education, both industrial and agricultural and Developmental Research.

### *VII/1. General Education.*

This Sub-Committee deals with:—

- (a) general education of the entire nation in all stages and branches. In this connection, work has already been done by several provincial and national committees specially appointed for the purpose and the results produced by these would need to be collated and a general policy framed for educating the entire nation;
- (b) the problem of adult education;
- (c) terms and conditions of employment of teachers;
- (d) mobilisation of labour for social service.

### *VII/2. Technical Education, Agricultural, Industrial, Commercial and Developmental Research.*

- (a) to review the activities of the existing institutions and find out how far the present equipment in men and apparatus are sufficient in turning out men of the engineer, foreman and skilled worker class necessary for the industrial and agricultural work at present existing in the country;

- (b) to find out what improvements are necessary in the existing institutions, and what further training institutions need be started for turning out technicians of different classes to undertake the developmental work contemplated by the National Planning Committee;
- (c) to survey the scope of activities of existing research institutions where researches in agricultural industry are carried out with a view to developing the country's wealth;
- (d) to co-ordinate training in technical and research institutions with work's experience;
- (e) to consider the necessity of starting an All India Board of Industrial and Scientific Researches and to recommend a constitution for it;
- (f) to direct the Stores purchase policy of the Government and of the major industries so as to secure facilities for expert practical training abroad of apprentices and technicians;
- (g) to prepare a scheme of State Technical Scholarship in relation to specific developmental programmes to be undertaken.

### VIII. WOMAN'S ROLE IN PLANNED ECONOMY

This Sub-Committee deals with:—

the place of woman in the planned economy of India, including consideration of her social, economic and legal status, her right to hold property, carry on any trade, profession or occupation, and remove all the obstacles or handicaps in the way of realising an equal status and opportunity for woman.

In particular it will confine itself with:—

- (a) the family life and organisation, and woman's employment in the house, and the change therein in recent years;
- (b) marriage and succession and the laws governing these;
- (c) the conditions of industrial employment of women and the protection of working women

- in mines, factories, plantations, workshops and cottage industries, as well as in domestic employment and retail trade;
- (d) social customs and institutions which preclude woman from taking her full share in India's planned economy;
  - (e) the types and methods of appropriate education to play her due role in household work; in the profession and in social and national services;
  - (f) any other questions connected therewith.

#### LIST OF COTTAGE INDUSTRIES

1. Textile (silk, wool and cotton); cotton spinning and weaving, especially up to 30s.
2. Dyeing and calico printing.
3. Cotton ginning and cleaning for handspinning except pressing.
4. Oil-crushing.
5. Soap and Toilet articles.
6. Furniture and timber works.
7. Paper for use as stationery, (except paper for newspapers, art printing, for wrapping and packing etc.).
8. Sugar.
9. Rice husking and milling.
10. Brass, copper and silverware.
11. Tallow guts and glue.
12. Tanning and shoe-making.
13. Pottery and ceramic phials.
14. Glass bangles.
15. Beads.
16. Polishes, paints and varnishes.
17. Locksmithy.
18. Nails.
19. Blacksmithy.
20. Cutlery.
21. Hemp, coir and jute.
22. Bristles and fibres.

23. Bricks.
24. Tiles.
25. Gold and silver threads.
26. Salt.
27. Toys.
28. Umbrella.
29. Gums.
30. Resins.
31. Matches.
32. Carts.
33. Country crafts.
34. Tailoring.
35. Embroidery.
36. Hosiery.
37. Buttons.
38. Carpets.
39. Confectionery.
40. Fruit preserves and syrups.
41. Dairying.

The above list of cottage industries is not intended to be a comprehensive one. There are, as is well known, many hundreds of cottage industries. This list was prepared tentatively with a view to mentioning some industries which are or may be both cottage and large-scale, and where there might be a conflict or overlapping between these two methods of production. No decisions were taken on the list. It was resolved to forward it to the sub-committees concerned for their consideration.

#### LIST OF DEFENCE INDUSTRIES, KEY INDUSTRIES AND PUBLIC UTILITIES.

##### *Defence Industries*

1. Fire arms (land, air and marine) and their parts.
2. Munitions, cartridges, explosives, shells, torpedoes, etc.
3. Tanks and armoured cars and other forms of mechanical equipment especially designed for military purposes.
4. Warships of all types including submarines.

5. Military Air-craft of all kinds.
6. Gases for warfare and gas-masks.

*Note:* Warships and military air-craft can also be made in ordinary peace-time establishments.

### *Key Industries*

1. Power—Hydro and thermal (generator).
2. Fuel, coal and fuel wood, mineral oil, power alcohol, natural gases.
3. Metals, ferrous and important non-ferrous, including winning of ore for them.
4. Industries for the making of machine tools.
5. Industries for the making of machinery and machinery parts.
6. Heavy engineering industries for the building of ships, locomotives, waggons, automobiles, air-craft and the like (*vital*). (standards).
7. Chemicals, heavy chemicals, fine chemicals including dyes (*some vital*), fertilisers and refractories.

### *Public Utilities*

1. Distribution of electricity, gas and other forms of energy.
2. Public transport and communication services.
3. Water supply.
4. Sanitation.

Banking and Insurance were reserved for consideration later.

The above list is a tentative one which might be added to or varied in future. It was resolved to forward it to the sub-committees concerned for their consideration.

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## APPENDIX V

## TABULAR STATEMENT OF ATTENDANCE AND WORK AT THE SUB-COMMITTEE MEETINGS

From June, 1939 to May, 1948.

## Explanation of Symbols used :—

- |  |  |
|--|--|
| A—Work divided amongst Members.  | E—Discussed lines of Draft Report.   |
| A-1—Questionnaire prepared and/or considered.  | E-1—Prepared and discussed leading issues being the foundation of the draft report.  |
| A-2—Decided to address Governments & collect data.                                   | F—Considered draft report, Interim.  |
| A-3—Formed several Group-Sub-Committees to deal with various aspects of the subject. | F-1—Considered draft report, Final.  |
| A-4—Framed Heads of Enquiry.   | G—Postponed.   |
| B—Co-opted additional Members.   | G-1—Adjourned, but held informal meeting.  |
| B-1—Appointed Collaborators.   | H—Authorised Secy. or Chairman to draft report on lines agreed.                      |
| B-2—Appointed delegates on allied Sub-Committees.                                    | H-1—Draft Report considered and agreed to be circulated amongst Members not present. |
| C—Clarified Terms of Reference.  | J—Some resolutions passed.   |
| C-1—Raised certain issues, arising out of Terms of Reference.                        | K—Committee not properly formed.   |
| C-2—Prepared list of Industries.   | Inf.—Informal meeting.   |
| D—Discussed memoranda from Chairman and/or Members.                                  | Com.—Combined meeting of Manufacturing & Cottage Industries.                         |
| D-1—New approach to problem suggested and considered.                                |  |

No.	Sub-Committees	Personnel	Meetings held		Proceedings in brief. (See explanation p. 86)	Stage reached. (Report submitted)	Decisions of N.P.C. (Resolutions)
	Name		Date	No. of Members present			
1	Rural Marketing and Finance.	14	4-8-39 (Inf.) 4-9-39 17-12-39 12-2-40 (Inf.) 25/30-3-40	3 11 10 2 5	A-2 A., C., D. D., E. E. H., F-1.	Final	Resolutions passed.
2	River Training and Irrigation.	9	17/18-10-39. 21-10-39 13/14-3-40 19/20-6-40	4 4 3 6	A.B., C, D, J. A-1, H-1. F-1	Final	Resolutions passed.
3	Soil Conservation & Afforestation.	11	21-9-39 (Inf.) 26-10-39 10-2-40 17-6-40 18-6-40	2 } 5 } .. 3 3	A. A-1 B B-1, F-1.	Final	Resolutions passed.
4	Land Policy, Agricultural Labour and Insurance.	10	25/26-12-39 12-4-40 13/14-4-40 17-6-40 27-8-40	4 .. 3 5 5	A. D. H-1 G. D. E. H-1 F-1	Interim	Resolutions on the Interim Report and Amended Resolutions were passed.

No.	Sub-Committees	Personnel	Meetings held		Proceedings in brief. (See explanation p. 86)	Stage reached. (Report submitted)	Decisions of N.P.C. (Resolutions)
			Date	No. of Members present			
15	Scientific Instruments	11	18/19-10-39 29-8-40	7 4	A., A-1., C.D.	Final	Draft Resolutions recommended to be adopted.
16	Labour	16	25/26-8-39 7/8-1-40	11 9	C. D. B-2 B-3, F-1, H-1 J.	Final	Resolutions passed.
17	Population	10	2-1-40 13/17-2-40	3 3	B. C. D. F-1	Final	Resolutions passed.
18	Trade	10	25-10-39 5-6-40 19-6-40 25-7-40	6 4 5 5	A-1, A-3, B. C.E. F-1	Final	Resolutions passed.
19	Industrial Finance	13	13-9-39 8-3-40 19-8-40 11-10-40	7 5 4 5	A. C. D. E.	Interim	No Resolutions passed.
20	Public Finance	9	11-9-39 3/4-1-40	3 5	A-1, C. D. E-1 J. H.	Interim	Resolutions passed.

No.	Sub-Committees	Personnel	Meetings held		Proceedings in brief. (See explanation p. 86)	Stage reached. (Report submitted)	Decisions of N.P.C. (Resolutions)
			Date	No. of Members present			
21	Currency & Banking	8	19-7-39 (Inf.)	2	A. C.  A-4, D.D-IE.  G-1, H-1, F.	Interim	Resolutions adopted tentatively
			4-8-39	3			
			13/14/16-10-39	5			
			7/8-12-39	4			
			15/16-2-40	3			
22	Insurance	12	20-3-40	4	A. A-1 B.C. C-1 D. E. F. H-1	Final	Resolutions adopted tentatively on the Interim Report.
			30-3-40	4			
			18-4-40	2			
			30-8-39	6			
			11-12-39	5			
23	Transport Services	11	17/19-3-40	5	A-1, C. E. F.	Interim	Resolutions passed.
			2-9-39	7			
			8-3-40	3			
			24-8-40	4			
24	Communication Services.	8	29/30-10-39	5	A-1, A-2. H.	Final	Resolutions passed.
			15-1-40	5			

No.	Sub-Committees	Personnel	Meetings held		Proceedings in brief. (See explanation p. 86)	Stage reached. (Report submitted)	Decisions of N.P.C. (Resolutions)
			Date	No. of Members present			
25	National Housing	16	21-7-39 (Inf.) 5-9-39 30-9-39 8-11-39 8/9-12-39 (Inf.) 22-23-12-39 23-3-40	5 4 8 8	A. A-1, A-2, D. E. F-1	Final	Resolutions passed.
26	National Health	15	12-9-39 29/30-1-40 26-8-40	6 10 6	A. A-1, B.C. D.	Interim	Resolutions passed.
27	Education (Gen.)	18	7-11-39 17/18-4-40	7 8	A. A-3, B. C. E. J.	Interim	Resolutions passed.
28	Education (Tech.)	15	8-7-40		K.	Interim	No Resolutions passed.
29	Woman's Role in Planned Economy	30	2/4-9-39 15/18-12-39 4/9-7-40	10 14 11	A-1, A-2, A-3 B. B-1, B-2, C. E, E-1 F, F-1, H. H-1, J.	Final	Resolutions passed.

## APPENDIX VI

PROCEEDINGS OF THE MEETINGS OF THE CHAIRMEN AND SECRETARIES OF THE SUB-COMMITTEES, HELD AT BOMBAY ON THE 14TH JULY, 1939, AS CONTAINED IN THE CHAIRMAN'S LETTER DATED THE 14TH JULY, 1939, ADDRESSED TO THE MEMBERS OF THE NATIONAL PLANNING COMMITTEE.

Old Custom House,  
Bombay, July 14, 1939.

*To all the Members of the National Planning Committee.*

Dear Friend,

I have been in Bombay for two days and have put myself in touch with the work of the Office of the National Planning Committee. Today a meeting was held of those Chairmen and Secretaries of Sub-Committees who live in Bombay or in the neighbourhood. We all met at the Secretariat and discussed the future work. Many of those present were non-members of the National Planning Committee and were not fully acquainted yet with what we had done. The little red book of the National Planning Committee was given to them and some discussions took place with a view to elucidate many problems.

As it was considered necessary for the sub-committees to keep in touch with the Central Office as well as to some extent with each other, it was decided that the minutes of each meeting of the sub-committee should be forwarded to the Central Office who would communicate it to other sub-committees. Further, in order to help a co-ordinated scheme being evolved it was decided that each sub-committee should supply a brief report of the lines of their work within two months to the Central Office. This brief report is to be sent to all sub-committees so that they might know how the general work was likely to proceed. It is under-

stood that this report will be brief and general and liable to change later on.

It was also agreed that joint meetings of connected sub-committees should take place whenever necessary.

You will remember that the National Planning Committee decided that a meeting of all Chairmen and Secretaries of sub-committees should take place in the third week of July. It appears that such meeting will not be easily feasible. It is probably more convenient to have more than one meeting in different areas. We have had a meeting in Bombay which comprised a large number of Chairmen and Secretaries of sub-committees. It is now proposed to hold another such meeting in Allahabad on August 3. Allahabad will be a suitable centre for North India and Bengal. I hope this is found convenient by the Chairmen and Secretaries in Calcutta and elsewhere. A formal notice to this effect will be issued soon from the Office. It is not necessary for Members or Chairmen or Secretaries of sub-committees in Western or Southern India to attend this meeting, though if any of them desires to come he will be welcome. It is hoped, however, that the Ministers of Industries or their representatives of Bengal, U.P., Bihar, Punjab and Orissa will be able to attend. Probably the meeting will not last for more than a day or two.

I am sorry that there has been some delay in announcing the personnel of sub-committees. This delay has been due to the non-receipt of answers of many of the persons concerned. So far as the Chairmen and Secretaries are concerned a large number of them have agreed. We have not had answers from eight of them. Eight have been unable to accept owing to their absence from India, ill-health or other causes. These eight are Sir A. R. Dalal, Lt. Col. Chopra, Shri G. D. Birla, Mr. P. B. Advani, Mr. Adarkar, Mr. M. S. Patel and Mr. Jabir Ali. Sir C. V. Raman is also doubtful if he will be able to do the work. We are requesting these gentlemen again to re-consider their decisions wherever possible, but some of them cannot obviously accept as they are leaving India. It is necessary to fill their

places immediately. To refer the matter to the Members of the National Planning Committee will delay matters. I consulted a number of Bombay Members of the National Planning Committee today on the subject and they agreed that I should nominate new Chairmen and Secretaries wherever necessary. I hope you agree to this proposal. I shall act accordingly and you will be informed of the new selections.

Yours sincerely,  
JAWAHARLAL NEHRU  
*Chairman*

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PROCEEDINGS OF THE MEETING OF THE CHAIRMEN AND  
SECRETARIES OF THE VARIOUS SUB-COMMITTEES, HELD  
AT ALLAHABAD ON 13TH AUGUST 1939, AT 11 A. M.

A meeting of the Chairmen and Secretaries of the various sub-committees was held at the Senate House, Allahabad, on 13th August 1939 at 11 a.m.

The following members were present :

Pandit Jawaharlal Nehru (Chairman),  
Prof. J. N. Mukherji,  
The Hon'ble Mrs. Vijayalakshmi Pandit,  
Shri M. K. Ghosh,  
Shri S. K. Mitra,  
Dr. M. N. Saha,  
Dr. V. S. Dubey,  
Prof. S. P. Agharkar,  
Dr. Bholanath Singh,  
Dr. Radha Kamal Mukherji,  
Dr. Sudhir Sen,  
Dr. B. C. Guha,  
Shri A. K. Shaha,  
Shri S. K. Kripalani,  
Shri E. W. Aryanayakam,  
Shri S. C. Das Gupta,  
Dr. Tara Chand,  
The Hon'ble Dr. K. N. Katju,  
Prof. K. T. Shah, (Hon. Gen. Secretary),  
Dr. C. A. Mehta, and  
Prof. Gyan Chand.

Pandit Jawaharlal Nehru was in the chair.

1. The Chairman opened the meeting by explaining the objects of the National Planning Committee. He stated that we should aim at an ideal plan, forgetting for the moment the present restrictions imposed by foreign

authorities and large vested interests. But, at the same time, he continued, we must make concrete suggestions, bearing in mind the present perspective. These suggestions, however, should not come in the way of the ultimate plan, but should go to bring about a gradual realisation of that aim. It was not possible to submit a detailed plan, as it required considerable investigation and collection of new data. We have to work on the existing data more or less, and produce a scheme which should embody the whole of India. Planning pre-supposes control. In this respect, we should bear in mind the policy of the Congress as embodied in the various resolutions of the Indian National Congress.

The Chairman further stated that there had been considerable discussion on the question of Congress policy towards cottage industries. But he felt that there was no inherent conflict between large scale and cottage industries. There may be some conflict in case of particular cottage industries.

The Chairman regretted Hon'ble Dr. Syed Mahmud's absence due to serious illness.

2. The General Secretary gave a brief review of the work done at the various informal meetings of the sub-committees in Bombay. He described the procedure hitherto followed and suggested that the same procedure should be followed in case of other sub-committees.

3. It was agreed that the minutes of each sub-committee meeting should be circulated amongst the other sub-committees through the Central Office.

4. It was also decided that each sub-committee should send a brief preliminary report of their method of work and the objectives that they were aiming at by the end of September. This brief report was to be circulated to all the sub-committees for their information. This report was not to be an abstract of the future report, but an indication of the general outlook, objectives and methods of work. It was, however, not to be considered as binding.

5. It was further decided that sub-committees deal-

ing with allied subjects should hold joint meetings whenever required.

6. The sub-committees were requested that the final report should have an abstract of the same attached to it.

7. The office was requested to send a list of Chairmen and Secretaries to the Government of India, with a request to supply information to these persons whenever requested by any of them.

8. The Secretaries of the various sub-committees were requested to arrange the meetings of their sub-committees as convenient to them. They were, however, requested to inform the Central Office the time, place and date fixed for the meeting.

9. After general discussion the meeting adjourned for lunch at 12-45 p.m.

The members met again at 2-15 p.m.

10. The Hon'ble Dr. Katju addressed the meeting. He drew the attention of the meeting to the resolution passed at the Ministers' Conference at Delhi and suggested that though he personally welcomed the enlargement of the scope of work by the Planning Committee, he was anxious that the Planning Committee should give its earnest and immediate attention to the six industries enumerated in the second resolution of the Ministers' Conference. After general discussion it was felt that the Planning Committee had rightly enlarged its scope, because it was impossible to push ahead without some idea of a general plan. It was, however, agreed that the planning committee should take as short a time as possible in preparing its Report.

11. The various Chairmen and Secretaries present raised particular difficulties concerned with their sub-committees. Prof. J. N. Mukherji, Prof. Gyan Chand, Dr. S. K. Mitra, Dr. V. S. Dubey, Dr. Sudhir Sen, Dr. R. K. Mukherji, Shri Aryanayakam, Shri S. C. Gupta and others took part in the discussion.

12. The meeting adjourned at 5-30 p.m.

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PROCEEDINGS OF THE MEETING OF THE CHAIRMEN AND  
SECRETARIES OF THE SUB-COMMITTEES HELD AT BOMBAY  
ON THE 12TH FEBRUARY 1940.

*Chairman's Memorandum to all Members of the  
N. P. C. and Chairmen and Secretaries of all the Sub-  
Committees.*

The Manufacturing Industries Sub-Committee made certain references involving decisions on important matters relating to the control and functioning of Industries. As these questions affected many sub-committees, it was decided to have a meeting of the Chairmen and Secretaries of all the sub-committees for the purpose. This meeting was held on February 12 in the office of the Planning Committee in Bombay. A considerable number of Chairmen and Secretaries of sub-committees, as well as several members of the National Planning Committee, were present. A questionnaire had previously been distributed to the members. There was a full discussion lasting for nearly six hours. As a result of this discussion, it was decided that I should embody the decisions in a Memorandum and circulate them to all the sub-committees for their guidance.

The National Planning Committee had previously laid down certain general principles in regard to these matters. These will be found in the Red Book. I should like to draw particular attention to—

- (1) The Congress Karachi Resolution which states, that "the State shall own or control Key Industries, and Services, Mineral Resources, Railways, Waterways, Shipping and other means of public transport."
- (2) Page 74 of the Red Book, paragraphs 12 and 13 of my Memorandum dated 4th June 1939. This Memorandum was subsequently approved by the N.P.C.

- (3) Page 102 of the Red Book giving a tentative list of Defence Industries, Key Industries and Public Utilities.

It will thus be seen that the National Planning Committee has already gone far in laying down the principle that Defence Industries, Key Industries and Public Utilities should be either State-owned or controlled. A discussion took place at the meeting on the 12th February as to which of these should be State-owned and the measure of control in regard to the others.

In regard to Defence Industries, it was decided that they must be owned and controlled by the State. Regarding Key industries, the majority were of opinion that they should also be State-owned, though a substantial minority considered that State control would be sufficient. It was made clear, however, that any control of such industries must be a rigid one.

Public Utilities, it was also decided, should be owned by some organ of the State, such organ being either the Central Government, Provincial Government, or a Local Board. It was also possible to have something of the nature of the London Transport Board controlling such Public Utilities.

In regard to the other important and vital industries, which are not Key Industries, or Defence Industries, or Public Utilities, no special rule was laid down. But it was made clear that the very nature of planning required control in some measure. What this measure should be, might vary with the industry in question.

As regards the agency in State-owned industries it was suggested that as a general rule, an autonomous Public Trust would be suitable, the nature of such Trust being varied in the case of different industries. Such a Trust would ensure public ownership and control, but would avoid the difficulties and inefficiency, which creep in from a democratic control. This suggestion was approved of by some members present, while others thought that no definite rule should be laid down and the sub-committees

should be left free to make their own recommendations. It was also suggested that there might be co-operative ownership and control. These suggestions are being forwarded to the sub-committees for their consideration. It is open to them to make their own recommendations.

In regard to private industries aided or supported by the State, the measure of State control is likely to be greater than in unaided industries. The State may appoint directors or representatives to see that the State Policy in regard to planning is carried out. Such representatives of the State will not be supposed to interfere in the day to day administration of the Industry, but, it will be their function to see that the industry is co-ordinated with the National Planning Scheme and the general policies of the State are being carried out by the industry. Any planning will involve a close scrutiny of the development of industry in all its branches and a periodical survey of the progress made. It will mean the training up of the technical staffs necessary for the further expansion of industry and the State may require industries to train up such staffs.

In the event of a private industry being taken over by the State, fair compensation should be paid. In calculating this compensation, a number of factors will have to be taken into consideration, so that the interests of the general public do not suffer and at the same time, the owners of the industry are not victimised. It was not thought necessary to go into any further details in regard to this matter at this stage.

As decided by the N.P.C. previously, it was made clear that in order to prevent the growth of future barriers to planning, effort should be made to avoid the establishment of new vested interests.

The relation of industries on a large-scale to village and cottage industries was also considered. The fact that the National Congress has laid great stress on the development of cottage industries, and more specially on hand-spinning and hand-weaving, was to be borne in mind.



Large-scale industries and cottage industries have, therefore to be co-ordinated in the National Plan. It may not be possible at this stage to define accurately the scope of each but in view of the Congress policy, which may be later the State Policy, nothing should be done to erect barriers to the carrying out of such a policy. Therefore, it should be laid down that any large-scale industry which may come into conflict with a particular cottage industry encouraged and supported by the State, should itself be controlled by the State. Such control will prevent any conflicts arising, and co-ordination will be easy.

It is important to bear in mind that the outlook governing a planned scheme is different from the outlook of an unplanned private economy. It is this outlook which must be kept in view in drawing up the plan, so that all the different sections of the plan may be integral and co-ordinated parts of the full programme. Such control as may be necessary to bring this about will have to be taken by the State.

The meeting also passed the following resolution in regard to the place of women in Planned Economy:—

“In the scheme of Planned Economy, every care should be taken to secure for woman, irrespective of civil conditions, not only theoretical equality of opportunity for training and employment, but also to see that such training and particularly employment are made available to her, as the consequence of the Planned Economy and at the instance of the Planning Authority.”

In addition to what I have said above, the discussion which took place at the meeting was very helpful in throwing light on some aspects of the problems facing us, and those who were present profited by it. But, as no further decisions were made, it would not be worthwhile for me to incorporate that discussion in this memorandum.

I should like to remind you again that the time factor is most important at the present stage of the acti-

vities of the Planning Committee. The work we have undertaken is of a vast nature and it is possible to continue it for many months and even years without exhausting it. But it is essential that we should produce our preliminary survey and report in the course of the next four months, that is, by the end of June. The presentation of this report will not, of course, end the work of planning. That will be only the beginning, the foundations, on which the structure of Planned Economy, we hope, will be built.

It is important therefore, that all sub-committees should present their reports by the middle of March. Even if they are unable to send their final and full reports before that date, they should send as full a report as possible, following it up by an additional report later, if necessary. If the sending of a report is delayed beyond mid-March, that report may not be considered in the draft prepared for the Planning Committee's consideration. It is hoped that the full Planning Committee will meet early in April to consider these reports and to lay down the general line of their own report. The N.P.C.'s report will then be drafted and placed before the N.P.C. early in June. That is the present programme and we must try to adhere to it. For this, it is necessary that the Sub-Committees should function according to time-table and send us their reports by mid-March. Even after sending their reports, if they have any further investigations to make, they should continue to make them and to collect material for future use.

Some Sub-Committees are on the eve of presenting their report, but there are many who are still somewhat behindhand. I would beg of them to expedite matters.

JAWAHARLAL NEHRU,

12th February 1940.

*Chairman.*

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## APPENDIX VII

### FIRST SESSION OF THE NATIONAL PLANNING COMMITTEE, DECEMBER 17, 1938.

The National Planning Committee met for the first time on December 17, 1938 in the Committee Room of the Bombay Secretariat at 12 noon, under the Chairmanship of Pandit Jawaharlal Nehru. Shri Subhas Chandra Bose, Congress President, inaugurated the proceedings. The Chairman then made his introductory speech.

2. The Committee sat daily from December 17 to December 21, 1938. The following members and representatives of Provincial Governments and States attended these sessions:

Jawaharlal Nehru (Chairman),

The Hon. Mr. V. V. Giri, Minister for Industries,  
Madras,

The Hon. Mr. L. M. Patil, Minister for Industries,  
Bombay,

The Hon. Mr. C. J. Bharuka, Minister for Industries,  
C.P.,

Sir Purshottamdas Thakurdas,

Sir M. Visveswaraya,

Mr. A. D. Shroff,

Shri Ambalal Sarabhai,

Dr. V. S. Dubey,

Dr. Nazir Ahmed,

Shri A. K. Shaha,

Prof. K. T. Shah,

Shri Walchand Hirachand,

Shri J. C. Kumarappa,

Mr. P. B. Advani, Director of Industries,  
Bombay,

Mr. A. Mohiuddin, Director of Industries of  
Hyderabad,

Shri M. S. Ramchandra Rao, Director of Industries, Mysore,

Shri S. M. Pagar, Development Commissioner, Baroda.

3. The first business of the Committee was to organise an office and to prepare a budget. The Hon'ble Mr. L. M. Patil was appointed the Honorary Treasurer of the Committee.

4. The Committee authorised the Chairman to co-opt to the Committee representatives of the All-India Village Industries Association and of Organised Labour. Prof. Radha Kamal Mukherji and Shri Walchand Hirachand were also co-opted as Members.

5. It was decided that the Ministers of Industries of the Provinces co-operating with the Committee should be ex-officio members of the Committee.

6. The Chairman was given power to co-opt members on the National Planning Committee whenever he considered necessary.

7. The following resolution was adopted by the Committee on River Commissions:

"The Planning Committee is of the opinion that the various Provincial Governments should create Provincial and, where necessary, inter-provincial River Commissions for the regulation, development and control of the various rivers and waterways for the purpose of providing:—

- (i) water for agriculture and industries;
- (ii) hydro-electric power;
- (iii) cheap transport;
- (iv) prevention of erosion, silting and floods; and
- (v) safeguarding the health of the people.

The Commission should also consider and deal with problems of shifting of river beds."

8. The Questionnaire which was to be issued on behalf of the Committee was agreed to.

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## SECOND SESSIONS OF THE NATIONAL PLANNING COMMITTEE, JUNE, 1939.

The National Planning Committee began its second sessions on Sunday, June 4, 1939 in Bombay, and sat daily (except on June 15th) till 17th June 1939. On the first day Shri Rajendra Prasad, the Congress President, was present at the meeting. Shri Jawaharlal Nehru presided at all the meetings and the following members and representatives of Provincial Governments and States attended these sessions.

Pandit Jawaharlal Nehru,

Hon. Mr. V. V. Giri, Minister for Industries,  
Madras,

Hon. L. M. Patil, Minister for Industries,  
Bombay,

Hon. Dr. Syed Mahmud, Minister for Industries,  
Bihar,

Sir Purshottamdas Thakurdas,

Sir M. Visveswaraya,

Dr. Megh Nad Shaha,

Mr. A. D. Shroff,

Prof. K. T. Shah,

Shri A. K. Shaha,

Dr. Nazir Ahmed,

Dr. V. S. Dubey,

Shri Ambalal Sarabhai,

Dr. J. C. Ghosh,

Shri J. C. Kumarappa,

Shri Walchand Hirachand,

Dr. Radha Kamal Mukherji,

Shri N. M. Joshi,

The Rt. Hon. Mr. Shuaib Qureshi, Minister-in-  
Charge, Bhopal,

Mr. P. B. Advani, Director of Industries, Bombay,

Mr. M. B. Pillai, Director of Industries, Bihar,

Mr. M. Khurshid, Director of Industries, Assam,

Mr. A. Mohiuddin, Director of Industries, Hyderabad,

Mr. M. S. Ramchandra Rao, Director of Industries, Mysore,

Dr. C. A. Mehta, Director of Industries, Baroda.

2. The Committee considered and approved of a memorandum by the Chairman dated June 4th on the approach to and the guiding principles involved in a planning scheme.

3. The following Resolution on licensing was passed:—

"This Committee is of the opinion that no new factory should be allowed to be established and no existing factory should be allowed to be extended or to change control without the previous permission in writing of the Provincial Government. In granting such permission the Provincial Government should take into consideration such factors as desirability of location of industries in a well distributed manner over the entire province, prevention of monopolies, discouragement of the establishment of uneconomic units, avoidance of over-production and general economic interest of the province and the country. The various provincial Governments should secure for themselves requisite powers, for the purpose, if necessary, by undertaking suitable legislation."

4. The following budget of expenditure for six months ending 31st December 1939 was passed:—

	Rs.
Office Establishment .. ..	14,490
Travelling Expenses of Staff and Committee and Sub-Committee Members and other Expenses of Sub-Committee Members .. ..	19,000
Printing, Postage and Stationery .. ..	6,100
Library and Reference Books .. ..	1,000
Contingencies & Miscellaneous .. ..	9,000
	<hr/>
	49,590
	<hr/>

The Chairman was given authority to pass additional expenditure if necessary and to engage additional members of the Staff.

5. The Committee appointed Prof. K. T. Shah as Honorary General Secretary of the Committee, and, as such, the executive head of the Office and Organisation. He was requested to keep in touch with all the Sub-Committees and co-ordinate their activities, keeping in view the general directions issued by the Committee. For this purpose he was to be an ex-officio member of all the sub-committees appointed by the National Planning Committee.

6. Tentative lists of Key and Defence industries and Public Utilities were prepared, as also a list of such cottage industries as have to meet the competition of large scale industries.

It was also resolved to forward these lists to the sub-committees concerned for their consideration.

7. The Committee appointed twenty-nine sub-committees to investigate and report on various problems and formulated detailed terms of reference for each of these. A General Note for the guidance of these sub-committees was also approved of and passed.

8. It was decided that in the event of any reference being made by a sub-committee, this should be decided by the Chairman and the General Secretary in consultation with the Chairman of the sub-committee concerned.

9. The Committee was of opinion that the sub-committees on allied or over-lapping subjects should co-ordinate their activities as far as possible and for this purpose their Chairmen and Secretaries might meet together whenever necessary. It should be the function of the General Secretary and of the office to help in such co-ordination.

10. In order to facilitate the co-ordination of the work of all sub-committees, a meeting of all the Chairmen and Secretaries of sub-committees should be held on a suitable date in the second or third week of July 1939 in Bombay. The General Secretary will convene this meeting.

11. Each sub-committee should be asked to send a brief abstract of their report and recommendations together with their full report.

12. Resolved that the Bombay Members of the National Planning Committee do form a Publicity sub-committee to keep the public informed of the activities of the National Planning Committee and its Sub-Committees. The General Secretary to be the convenor of this Sub-Committee.

13. The Committee was of opinion that the forthcoming Census operations should be utilised for the purpose of collecting additional information of various kinds which is necessary for effective planning. It was resolved that letters to this effect be sent to the Government of India, and the Provincial and States Governments.

14. It was resolved to hold the next sessions of the National Planning Committee during the Puja holidays in the second half of October 1939, the exact dates being fixed later.

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ACCOUNT OF THE ACTIVITIES OF THE NATIONAL PLANNING  
COMMITTEE FROM THE END OF ITS SECOND SESSIONS  
IN JUNE, 1939 TILL THE END OF ITS THIRD SESSIONS  
IN MAY, 1940.

After the meetings of the National Planning Committee, which ended on the 17th June 1939, the Chairman addressed letters to the Governments of the various Provinces and States, as well as to the Government of India, who, it was hoped, would co-operate with the work of the National Planning Committee, informing them about the arrangements made for carrying out the work entrusted to the National Planning Committee. (*Vide* pp. 103-105, Handbook No. 1).

2. The task was expected to be a very onerous one, and likely to continue for a period of at least six months, for which the following Budget was prepared by the

Committee, assuming that the organisation would be run on the most economic lines.

Budgeted receipts from contributions by Provincial and State Governments during six months July-December 1939

Rs. 53,500/-

Budgeted expenditure during the same period Rs. 49,590/-

(For details, see p. 70, of Handbook No. 1.)

3. In addition, Rs. 7,000 were received from some Provincial Governments between January 1939 and June 1939 to meet the preliminary expenses during that period. Rs. 4,500 was spent out of this amount upto the end of June 1939. Owing to the magnitude of the task, as well as because of the intervention of the War, and the consequent dislocation of work, the time factor originally allowed had inevitably to be considerably extended. The resignation of the Governments in many of the Provinces also tended in the same direction. Nevertheless, as the accounts given at the end of this booklet show, the work has been conducted with the utmost economy, so that a Budget made for six months has sufficed for twice that period, even though the amounts actually received by way of contributions from the several Provinces and States from July 1939 have been Rs. 35,500 as against the anticipated amount of Rs. 53,500, as mentioned above.

4. When the National Planning Committee met in June 1939, only the following Governments had promised to co-operate, or send their representatives to attend the meetings of the Committee:

*Provincial Governments*

Madras,  
Bihar,  
Bombay,  
United Provinces,  
Central Provinces,  
Assam,  
N.W.F. Province,  
Sind,  
Orissa.

*States*

Hyderabad,  
Mysore,  
Baroda,  
Bhopal,  
Travancore,  
Cochin,  
Aundh,  
Khairpur,  
Cambay.



Since that time, however, the Governments of the Punjab, as well as Bengal, have agreed to co-operate and make their contributions, both by way of direct payment, as well as indirectly by agreeing to bear the travelling expenses of their various officers permitted to serve as Chairmen, Secretaries, or Members of the several Sub-Committees. From each of the major Provinces a contribution of Rs. 5,000/- was budgeted, and many of them, including Bengal, have paid it already.

5. The Punjab Government, it may be mentioned, have, in pursuance of the suggestion made by the Chairman of the National Planning Committee in his Note to the Government dated the 20th June 1939 (*Vide* pages 103-105, Handbook No. 1), invited Prof. K. T. Shah to draw up a Plan for the industrialisation of that province. If such a Plan were prepared for each unit, the task of the National Planning Committee would be considerably simplified and facilitated.

6. The Office of the National Planning Committee was organised and placed on a regular footing, under general instructions from the Chairman. In accordance with the decisions of the Committee, Prof. K. T. Shah was placed in charge of the Office as Honorary General Secretary, and three Joint Secretaries were appointed to assist him in the task. One of these, Mr. H. V. Kamath, who had been conducting the work of the National Planning Committee since January 1939, however, resigned his Office in June 1939. Mr. Guha, another of the Joint Secretaries, retired on the 30th of April 1940, because of his being appointed Director of Industries in the Central Provinces and Berar. Neither of these posts have been filled in by fresh appointments, mainly for reasons of economy.

7. The National Planning Committee had, as mentioned in the booklet issued last, appointed twenty-nine sub-committees for carrying out the various facets of the work involved in national planning. In addition to these twenty-nine sub-committees, the National Planning Committee had also appointed two more sub-committees, one on Census and Statistics, and the other on Publicity.



Owing to the absence, however, of the Census Commissioner to the Government of India on leave out of India, the work of the Census and Statistics Sub-Committee was, under competent advice not deemed so urgent as to proceed immediately. This sub-committee has not, therefore, been very active, though some memoranda on the reference made to it have been prepared. The opening address of the Chairman at the sessions of the National Planning Committee, on the 1st May 1940, makes specific mention of the Notes sent to him by Prof. Mahalanobis, Secretary, Indian Statistical Institute, in regard to proper statistical organisation needed in careful planning. It is to be hoped that the establishment of a Bureau of Statistics will be given a prominent place amongst the recommendations of the National Planning Committee.

8. The names and addresses of the Chairmen, Secretaries, and Members of the various Sub-Committees could not be incorporated in the previous Handbook, as acceptances had not been received from most of the Members in time. Some of them could not accept, while some additional Members had to be co-opted to several sub-committees. A printed list of the names and addresses when all acceptances had been received was sent to all the Members of the National Planning Committee, and of the various sub-committees, in July last. Several changes have taken place since then.

9. The following Members have resigned from the National Planning Committee:—

Shri J. C. Kumarappa,

Sir M. Visvesvaraya,

and the following additional Members have been co-opted:—

Rani Lakshmibai Rajwade (to represent Women).

Shrimati Vijayalakshmi Pandit (to represent Women).

Mr. Abdul Rahman Siddiqi (representing the Bengal Government).

Shri Gulzarilal Nanda.

10. A meeting of the Chairmen and Secretaries of the various Sub-Committees was held at Bombay on the 14th July 1939, to discuss the procedure, etc. to be followed by the Sub-Committees. Another meeting of those Chairmen and Secretaries, who could not attend the July meeting in Bombay, was held at Allahabad on the 13th of August 1939, for the same purpose. The work of these meetings is summarised in Appendix VI.

11. The Chairman of the National Planning Committee, Pandit Jawaharlal Nehru, was absent from India on a visit to China, from the latter part of August. While he was away, the European War broke out; and the work of the National Planning Committee was, as already noted, made considerably more difficult than had been anticipated by the events which followed. The Chairman returned to India in September, and steps were taken to deal with the situation, so far as the National Planning Committee was concerned, as indicated in his letter dated the 26th October 1939.

12. In the meanwhile, the Sub-Committees which had been organised had begun their work, and made progress as shown in Appendix V. In each case, however, it was felt from the very start that the time assigned for completing the work entrusted to the sub-committees was utterly inadequate; and request was, therefore, made to extend it. In accordance with this request, the Chairman extended the limit, first up to the end of November 1939, or, at the latest, December, 1939, for the preliminary report, and the end of January, 1940, or, at the latest, the end of February for the final, and subsequently up to the end of March, 1940.

13. Despite all these extensions, however, several Sub-Committees had not completed even their preliminary labours for presenting an interim report by the time the National Planning Committee met on the 1st May 1940. The tabular statement\* already referred to (Appendix V) shows the progress of the work done by the

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\* This statement appended in this book has since been made up-to-date till 1948.

various sub-committees upto the end of the 3rd sessions of the National Planning Committee, on May 15, 1940.

14. The third meeting of the Chairmen and Secretaries of the Sub-Committees was called on the 12th February 1940, to consider certain specific issues raised in connection with the reference made to them by the Sub-Committee on Manufacturing Industries.

15. The work done by the National Planning Committee, during its sittings from May 1, to May 14, is given below. Before the Committee ended its sittings, it was decided to call the next sessions of the Committee on the 21st June 1940, and the days following, to consider the Reports, interim or final, which had not been considered at the sittings held in May, 1940, or which might be submitted subsequently.

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#### THE NATIONAL PLANNING COMMITTEE THIRD SESSIONS—May 1940.

*Chairman's opening address on the first day of the third sessions of the National Planning Committee, beginning the 1st May 1940.*

We are meeting today after a long interval and I owe an apology to the members of the Committee both for this delay and for repeated changes of date. We met on the last occasion in full committee in June 1939 and it was decided then that we should hold our next session in the second half of October 1939, though no exact date was fixed. Owing to the delay in the work of the sub-committees, it was felt, however, that no useful purpose would be served by our meeting then. I consulted all the members by circular letters, and many of them personally also, and found that this was the general opinion. The war in Europe, which began early in September 1939, had created a new situation in India, both politically and economically, and various crises were developing. October was a changing and uncertain month, and later months added to this uncertainty. Under these circumstances, it was the general feeling that we should postpone the third

sessions of the National Planning Committee and carry on with the work of the sub-committees. Members will, I trust, appreciate the reasons for the delay in holding this session, and realise that the fault lay in the circumstances, and that no one was to blame for it.

2. Recent and repeated changes in the date of this meeting must have been disconcerting to members and I must apologise for them. It is not an easy matter to suit the convenience of all our members, who are busy men, living and carrying on their businesses or professions in distant parts of India. We have tried our utmost to meet their wishes and their convenience, but inevitably what suited some, did not suit others.

3. We meet under strange conditions in India and the world. It is a curious anomaly and contradiction that while we think and plan to build up India, and thereby help also in building up the world on a secure foundation, that world is engaged in the work of destruction on a vast scale. The future that we envisage seems to recede further away, and even the heritage of the past stands in danger of being lost. A dispassionate consideration of the world's problems yields place to the crime and folly of war, where reason and logic and goodwill have no place, and passion and hatred reign and the sword decides.

4. To some it may appear that this is a most unsuitable time for planning, which is essentially a labour of peaceful co-operation. It may be argued that we should wait for better times and more stable conditions, for who knows what the outcome of the present conflict will be? On what foundation shall we build, when no man can foretell what that foundation will be? And yet though we are so uncertain of the future, this we know well that the future will be very different from the past or even from this changing present. Already we see vast political and economic changes taking shape in the womb of the future. Can we plan in India with all this doubt and uncertainty?

5. These considerations fill our minds, as they should, and we must give careful thought to them. And

yet these very considerations lead us to a contrary conclusion. For it is this very time of change and uncertainty that demands mental activity and a vision of the future that we desire. If we are mere onlookers now, and passive and helpless agents of circumstances of the will of others, we barter away our claim to that future. Instead of preparing for it, we hand the reins to others. Every conflict ends some time or other, every war is followed by a peace, temporary or more enduring, every work of destruction has to be followed by construction. That construction will be chaotic and wasteful unless previous thought has been given to it. A period of war and dynamic change therefore demands, even more than the static times of peace, the planned activity of the mind, so that, when time and opportunity come, this may be translated with all speed into the planned activity of the nation.

6. Another change, intimately affecting us, has taken place during the past few months. Most of the Provincial Governments, which fathered this Planning Committee and co-operated with our work, are no more, and in a large number of Provinces, the structure of a limited Provincial Autonomy has given place to autocratic rule by alien authority. The outlook has changed completely and we see from day to day the reversal of the old policies. India which was emerging gradually into a semi-colonial stage, is now again being treated as a full colony and its resources used for anti-national purposes.

7. This change is obviously of great significance for us. Under these circumstances our planning becomes even more divorced from present conditions than it was before, and the structures that we might build, might appear to some as castles in the air. Yet that would be a foolish thought, for every one knows that present conditions in India, as well as elsewhere are transitory and must pass. And in passing, they will not give place to the limited and restricted autonomy of the Provinces that had, but to a much broader freedom. And so, though the circumstances have changed, the necessity for planning is all the more vital and urgent.

8. The political changes in India have added in many ways to our difficulties, and it is conceivable that additional obstructions may hamper our work still further in the future. I was asked at one time whether it was desirable to continue activities of the National Planning Committee. I had no hesitation in giving answer that we must continue this work, even though the difficulties that encompass us increase and make normal functioning hardly possible. In any event, our sub-committees should carry on their labours and finish them; in any event, we must collect all our material and give it shape. If this is done, we shall be in a position to deal with it rapidly and effectively when the time comes.

9. I should like to express my indebtedness, as well as, I am sure, the appreciation of the Committee, to the Chairmen, Secretaries and members of the various sub-committees that we appointed, for the way they have tackled their difficult tasks, and given their time and energy to them. I should like to express my gratitude to the members of our office staff who have worked hard and willingly, often far beyond the usual office hours.

10. It is a matter of sorrow and deep regret for all of us that Mr. P. N. Mathur, the Chairman of our Engineering Industries and Transport Industries sub-committee, died suddenly a few weeks ago. Mr. Mathur took the deepest interest in the work of the National Planning Committee and the report of the sub-committee, which he completed shortly before his death, is one of the most valuable and practical of our reports. It is exceedingly unfortunate that a man of his ability, training and earnestness should leave us in the prime of his life, when so much good work could be expected from him.

11. We have so far received reports from the following sub-committees, and these reports have already been circulated among members. Some of these reports are final, others are interim reports, as indicated opposite each.

1. Engineering Industries & Transport Industries	..	..	..	Final
2. Population	..	..	..	Final

3.	Housing	..	..	..	Final
4.	Labour	..	..	..	Final
5.	Horticulture	..	..	..	Final
6.	River Training, Part I	..	..	..	Final
7.	Manufacturing Industries	..	..	..	Interim
8.	Chemicals	..	..	..	Interim
9.	Transport	..	..	..	Interim
10.	Public Finance	..	..	..	Interim
11.	Currency & Banking	..	..	..	Interim
12.	Land Policy	..	..	..	Interim
13.	Animal Husbandry	..	..	..	Interim

12. I understand that we are also likely to receive very soon the following reports:

14.	Rural Marketing & Finance	..	..	..	Final
15.	Industrial Finance	..	..	..	Interim
16.	Power and Fuel	..	..	..	Interim
17.	Woman's Role in Planned Economy	..	..	..	Interim

13. There remain thus 12 sub-committees which have so far sent no report at all. It is unfortunate that some of the sub-committees dealing with agricultural subjects are particularly behindhand. Two sub-committees—Technical Education and Fisheries—have not functioned at all so far. Fisheries is perhaps not so important, but Technical Education is a vital and essential part of Planning and it must be dealt with adequately. Unfortunately the eminent men, who were appointed, one after the other as Chairman, were unable to give time to this work. I hope that this sub-committee will soon begin to function.

14. Almost every report complains of the unsatisfactory nature of the statistics and data available. It is clear that adequate data and information is the essence of planning, and therefore the very first step that planning authority must take is to organise the proper and scientific collection of statistics, both for the formulation of the Plan and for its checking from time to time. It might have been worthwhile for us to have a special sub-committee to deal with statistics, for this science is becoming highly



specialised. It is not merely a question of collecting facts, but of doing so in the most advantageous way, of arranging them properly and of drawing the right conclusions from them. Fortunately we have in India an efficient organisation which deals with this subject—The Indian Statistical Institute and the Statistical Laboratory of Calcutta. Professor P. C. Mahalanobis who is in charge of this laboratory has kindly offered his co-operation to us in every way and has sent us two notes on the subject, which are being circulated to members.

15. I have gratefully accepted the offer made by Prof. P. C. Mahalanobis to examine all our sub-committees' reports from a purely statistical point of view and to send us his suggestions thereon. Copies of these reports have been sent to him.

16. The procedure to be followed during this session of the National Planning Committee will be determined by the National Planning Committee itself on the first day. Provisionally, separate dates have been fixed for the presentation of each Sub-Committee's report and the Chairman and Secretary of that particular sub-committee have been invited to be present on that day. It is suggested that general discussion might take place on the report then and advantage might be taken of the presence of the Chairman and Secretary to elucidate the report. If the National Planning Committee desires to take any decisions on the report at that stage it will do so.

17. A very detailed discussion of all the recommendations made in the reports at this stage may perhaps not be desirable, as this might delay the presentation of the other reports. Many of the fundamental questions that arise are common to many reports and it would probably be better to consider them as a whole after the various reports have been presented and generally discussed.

18. We have arrived at a stage when some of these fundamental questions of policy have to be considered and some indication given as to the method of approach to Planning. It is inevitable that some of the sub-committees adopt differing methods and even make recommend-



ations which do not fit into each other. The National Planning Committee itself represents many view-points, and while we must endeavour to bring them together and agree as far as possible, the possibility of disagreement on certain vital issues need not frighten us. A discussion of these different approaches and points of disagreement will be helpful to us, as well as later on to the public at large. That in itself has importance as the ultimate policy of the State will necessarily depend on public opinion, and the more informed this public opinion the better it will be for us. It may be desirable, when our Report stage arrives, to give fully these differing view-points.

19. It must be remembered that final decisions in regard to National Planning will have to be taken by the State when it has the power to do so as well as the ability to give effect to its decisions. It is even more important to remember that the very basis of our Planning is a free India, democratically fashioned, where no external authority can interfere or obstruct the nation's work. There can be no planning otherwise; if there is interference or obstruction from outside, it means the imposition of external authority and other people's decisions on us. Full political and economic freedom is thus an essential prerequisite to Planning.

20. It is obvious that at present we are far from this political and economic freedom. Political domination is patent enough, but a far more dangerous and insidious thing is economic domination. While the public can see and feel political domination, and, therefore, react to it, it is not so conscious of the economic stranglehold which throttles the life of the nation and prevents industrial and other growth. We have had enough experience of this in the past and the present is full of dangerous possibilities owing to the War and its far-reaching consequences. These consequences are affecting Britain's economy vitally and may shake up completely or even upset her economic structure. Under present circumstances, it is exceedingly likely that the burden of this upsetting will be shifted as far as possible on to India, and we shall suffer because

of it. Our financial and currency policy have long had no relation to the interests of India or the good of the Indian people. They are controlled by alien authority for other ends. As the war progresses and the tension grows the necessity and desire to exploit India will also grow. All the misfortunes of the pound sterling will be passed, with something added on, to the rupee, which has been forcibly connected in unholy marriage to the pound. Our gold continues to flow away at a time when every nation tries to conserve it.

21. All these and similar considerations are of vital importance for us in the present as well as in future. They do not affect our Planned Scheme as that is based on an elimination of these factors and of all external authority. But it is possible that improper and unjustifiable advantage might be sought to be taken of a part of our scheme in order to consolidate and strengthen foreign authority and interests in India. We must be on our guard against this. Our scheme is conceived for a free India and not for a colonial India with the strings of political and economic authority held elsewhere. It cannot be transplanted on different soil.

22. To give an instance: Many of our sub-committees' reports have recommended State ownership or control of certain industries, services and enterprises. Indeed, we have already come to some general decisions on this subject. Obviously, when we refer to the State we mean a free and democratic India; we do not mean the present State in India, subordinate to and controlled by foreign authority and interests. It would be absurd for the present State in India to interpret our recommendation in its own favour and thus add to its own political and economic power. This present State is carried on in the interest of British vested interests in India, and for this State to have more power means that British vested interests are further entrenched and added. We know to our cost how Indian industry and enterprise have suffered because of this in the past. The Government of India Act of 1935 tried to perpetuate this state of affairs by pre-

venting us from touching British interests in India. That policy continues and will be intensified under the pretext of war economy.

23. I have laid emphasis on this aspect of the question as it is important that all of us, and the public, should bear it in mind and prevent our exploitation as far as we can. Keeping this in mind, we should proceed with our Planning.

24. For thinking and planning for the future is essential if that future is not to end in misdirected energy and chaos. It is foolish to imagine that when the present crisis at long last ends, a new or better arrangement of world affairs or our national affairs will automatically emerge out of it. It is equally unwise to allow matters to drift, protesting occasionally perhaps, but otherwise looking on helplessly for fear that what we may do might involve a risk or be taken unfair advantage of by our opponents. The world is full of risks and dangers today. We cannot escape them. The greatest risk and danger is to drift and not give thought and energy to finding a way out. It is manifest that the old order has had its day and is dissolving, whether we like this or not. It has led to wars and upheavals and continuing conflicts which involve not only passion and hatred and an enormous waste of energy and resources, but also prevent us from achieving what is otherwise easily attainable. We have to understand the conflicts of forces that dominate the world today and seek to resolve these conflicts. It is certainly a possibility that the world may inevitably be led to social dissolution. We have to avoid that, if we can, but we cannot do so by shutting our eyes to the fact that the existing order is incapable of preventing this catastrophe. Something else, more in keeping with modern conditions, has to be evolved. Politics, in our country as elsewhere, dominates the scene and occupy men's minds. But the real changes that are shaping the world are deeper than politics. If we plan, we must consider them and have clear minds about them.

25. We shall thus have to consider, at this stage or later, the basic and fundamental policies that must govern our Planning. Without a definite and clear-cut objective in view, and an understanding of the path we must pursue, we shall plan ineffectively or perhaps even in vain.

26. Already the National Planning Committee has given some thought to this matter and we have come to some general but fundamental decisions. It is well to recapitulate some of them. We are aiming at a free and democratic State, which has full political and economic freedom. In this State the fundamental rights of the individual and the group—political, economic, social and cultural—will be guaranteed, and the corresponding duties and obligations laid down. The State will be progressive and will utilise all scientific and other knowledge for the advancement of the people as a whole, and for the promotion of their happiness and material as well as cultural and spiritual well-being. The State will not permit the exploitation of the community by individuals or groups to the disadvantage of the former and to the injury of the nation as a whole. To realise the social objectives, the State has to plan through its representatives for the nation (whenever possible, in co-operation with other nations) and to co-ordinate the various activities of the nation so as to avoid waste and conflict and attain the maximum results. This Planning will deal with production, distribution, consumption, investment, trade, income, social services, and the many other forms of national activity which act and react on each other. Briefly put, Planning aims at the raising of the material and cultural standard of living of the people as a whole. In India our standards are so terribly low and poverty is so appalling, that this question of raising standards is of the most vital importance. The National Planning Committee has suggested that national wealth should be increased between two and three times within the next ten years, and this should be so planned as to raise the general standard at least in a like measure.

27. The principle of State ownership or control of Key Industries and services, mineral resources, railways, waterways, shipping and other means of public transport, has also been accepted. This principle was laid down first by the Congress at Karachi in 1931.

28. Further, it has been decided that Defence industries should be owned and controlled by the State; and that Public Utilities and all Key Industries should be owned or controlled by the State. A strong body of opinion in the National Planning Committee was in favour of the State always owning Public Utilities. The principle of State ownership or control legitimately applies to other large-scale industries or enterprises which are likely to be monopolistic in character, or even to other large-scale enterprises.

29. This change may be impracticable in the near future in existing industries. But whenever even an established industry, under private control, receives aid or protection from the State, or tends to develop into a monopoly, or comes into conflict with the general policy of the State, the State should take necessary steps to assure conformity in all such ventures with its basic policy and with the objective laid down in the Plan.

30. It is clear that the very nature of Planning requires the control by the Planning Authority in some measure of even other than key or vital industries. This control might vary with the industry in question, but it will have to be rigid for the Key or vital industries.

31. It has further been decided that efforts must be made to avoid the establishment of new vested interests or anything else which may come in the way of Planning.

32. A tentative list of Defence Industries, Key Industries and Public Utilities is given at page 102 of the Red Book. These lists will no doubt be revised by the sub-committees concerned.

33. The National Planning Committee has also declared that cottage industries, in conformity with the national policy, should be protected and encouraged. I have

dealt with this matter in previous notes to the members. It will have to be considered more fully when we have the sub-committees' reports before us.

34. At the instance of the Manufacturing Industries Sub-Committee, a meeting of the Chairmen and Secretaries of all the sub-committees was held in Bombay on February 11th 1940 in order to consider matters relating to the control and functioning of industries. A full discussion took place then which was very helpful to those present. I have already sent to all members of the National Planning Committee a memorandum about this meeting. Some decisions were taken in conformity with those of the National Planning Committee as mentioned above. It was further recommended that in the event of a private industry being taken over by the State, fair compensation should be paid. In calculating this compensation, a number of factors will have to be taken into consideration, so that the interests of the general public do not suffer and, at the same time, the owners are not victimised. It was not thought necessary to go into further details in regard to this matter at that stage.

35. This meeting of February 11 also laid down that any large scale industry, which may come into conflict with a particular cottage industry encouraged and supported by the State, should itself be controlled by the State. Such control will prevent any conflicts arising and co-ordination will be easy. This viewpoint had previously been expressed in the National Planning Committee also.

36. I must apologise to members for the length of this note. I have written it in order not to take the time of the Committee by having to talk about these subjects, and also to put the issues before us as concisely as possible.

May 1st 1940

JAWAHARLAL NEHRU,  
*Chairman*

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BRIEF ACCOUNT OF THE PROCEEDINGS OF THE  
FOURTH SESSIONS OF THE NATIONAL  
PLANNING COMMITTEE HELD IN JUNE 1940.

The fourth sessions of the National Planning Committee began on the 21st of June 1940 as previously settled. In the unavoidable absence of Pandit Jawaharlal Nehru, Chairman of the National Planning Committee, it was duly proposed that Prof. K. T. Shah should take the chair. The proceedings commenced with Prof. K. T. Shah in the chair.

It was noticed that the attendance was rather small. The question was raised whether it would be desirable to carry on the business of the day in the absence of the Chairman, and with such a limited attendance. In reply, the Chairman's telegram as well as his telephone communication, desiring that the meeting be continued as originally intimated, was placed before the meeting, and the Committee thereupon proceeded with the business of the day.

There was no specific agenda for that day's meeting. In view, however, of the desire expressed by the Chairman of the Sub-Committee on River Training and Irrigation to dispose of his Sub-Committee's Report at the earliest opportunity, the Committee took up consideration of Part II of that report, which had been prepared and submitted to the meeting with draft resolutions framed on the same. General discussion took place, and the meeting adjourned, to resume consideration of this the following day, when it was expected the Chairman would be able to attend.

Pandit Jawaharlal Nehru, Chairman of the National Planning Committee, attended from the second day of the meetings, which were therefrom held continuously twice a day, except on Sundays when only one sitting took place, from 9 a.m. to 12 noon, and from 2.30 p.m. to 6 p.m. until the 30th of June 1940, when the sessions concluded.

During these sessions, the National Planning Committee took up for consideration reports of several Sub-Committees. Some of these Reports were final, and others



of an *ad interim* character. In every case decisions were taken by the National Planning Committee in the form of resolutions as on the previous occasion. These resolutions are printed hereafter in the order in which the Reports were taken up for consideration and disposal by the National Planning Committee.

Several Sub-Committees had, however, so far done nothing in connection with the reference made to them. Some of them had not presented any Report, or not been constituted properly.

The National Planning Committee considered this subject at some length, and the Chairmen or Secretaries of the Sub-Committees, which had already been formed, were requested to report to the National Planning Committee as to when their Reports might be expected. In some cases, intimation has been received to the effect that the Report would be expedited; and it is hoped that the remainder also, at least such of the Sub-Committees as had been properly constituted already, will finish their deliberations and report at an early date.

During the consideration of some of the Sub-Committees' Reports, it was found that the matter treated by the Sub-Committees concerned require further elucidation or reconsideration, particularly in the light of the decisions taken by the National Planning Committee, on certain points specifically mentioned. These points have been, accordingly, referred to the Sub-Committees concerned. Before the next stage of the work of the National Planning Committee, it is expected that these Sub-Committees will have given further consideration to the points referred to them, and submit their considered opinion or explanation on them, at as early a date as possible.

In the course of their deliberations on this occasion, the National Planning Committee considered certain questions of detail as well as of principle concerning the main plan. A desire was, for instance, expressed that the results of the labours of the various Sub-Committees should be made available to the public; and, accordingly,



the National Planning Committee decided that all Sub-Committees be requested to prepare their Reports for the press. Those of them which had already submitted Final reports were, therefore, requested to touch up the Report, and furnish such other explanations, opinions, or considerations, as they thought relevant to the matter, for the fullness of the Report, and send in the same at their earliest convenience to the office of the National Planning Committee for publication. Those Sub-Committees, on the other hand, which had submitted only an Interim Report, were requested to take early steps to finalise their Reports, and add such further data, or material as they thought necessary for the rounding off of the subject referred to them, and thus making the matter ready for the press. As for Sub-Committees which had taken no steps to prepare and submit their Reports, or which had not been properly constituted yet, measures were taken to see that they were properly formed by adding the necessary complement of members, including secretary or chairman, wherever they were lacking, and to expedite their Reports.

Questions of fundamental principles discussed by the National Planning Committee,—such as those concerned with the ownership and management of means of communication or of forms of natural wealth,—are reflected in the decisions taken by the National Planning Committee on the appropriate Reports. Further consideration of the general principles, forming the basis for the draft report of the National Planning Committee itself, is reserved for the next meeting of that body.

As at present arranged, the next sessions of the National Planning Committee are to take place in the fourth week of August. In the interval, it is hoped the decisions so far taken on the Reports of the various Sub-Committees will be collated and correlated so as to form a connected and consistent background, even if any of them are settled provisionally. The next sittings, therefore, will be occupied with the consideration of these general principles, and also of such Reports from Sub-Committees as

may have been prepared and submitted during the interval.

Shri G. P. Hutheesing, one of the three joint secretaries of the National Planning Committee originally appointed, and the only one now remaining in that office, has offered, as from 1st July 1940 to forgo his honorarium, and serve the Committee in an honorary capacity in view of the meagre finances of the Committee; and his offer has been accepted by the Committee with thanks.

K. T. SHAH,  
*Honorary General Secretary*

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BRIEF ACCOUNT OF THE PROCEEDINGS OF  
THE FIFTH SESSIONS OF THE NATIONAL  
PLANNING COMMITTEE HELD ON AUGUST 30TH  
—SEPT. 4TH 1940.

The National Planning Committee met on August 30th at 2-30 p.m., the names of the Members, and of those invited, present at any time, during the Fifth Sessions of the National Planning Committee are given below :

- |                      |                        |
|----------------------|------------------------|
| 1. Jawaharlal Nehru  | <i>By Invitation</i>   |
| 2. M. N. Saha        | 19. S. S. Sokhey       |
| 3. A. D. Shroff      | 20. J. S. Nerurkar     |
| 4. K. T. Shah        | 21. Rafi Ahmad Kidwai  |
| 5. Nazir Ahmed       | 22. Mridula Sarabhai   |
| 6. V. S. Dubey       | 23. M. Y. Nurie        |
| 7. Ambalal Sarabhai  | 24. Hansa Mehta        |
| 8. J. C. Ghosh       | 25. Perviz Dubash      |
| 9. N. M. Joshi       | 26. Kapila Khandwalla  |
| 10. Shuaib Qureshi   | 27. Jethi Sepahimalani |
| 11. Gulzarilal Nanda | 28. Zarina Currimbhoy  |
| 12. G. M. Syed       | 29. V. K. R. V. Rao    |
| 13. Syed Mahmud      | 30. U. N. Mahida       |
| 14. N. Kanungo       | 31. M. M. Pakvasa.     |
| 15. P. B. Advani     |                        |
| 16. C. A. Mehta      |                        |
| 17. A. B. Thadani    |                        |
| 18. K. D. Guha       |                        |

The Chairman suggested that the Interim Report of the National Health Sub-Committee might be taken up that day and the Land Policy Report and Women's Sub-Committee Reports on the 31st August and September 1st respectively. On September 2nd the Committee might consider various general principles. This was agreed to.

The Chairman presented a Note to the Committee. It was decided that this Note should also be considered on September 2nd together with the general principles. It was further decided that the Committee should sit daily from 9 a. m. to 12 noon and 2-30 p. m. to 5-30 p. m.

Col. S. S. Sokhey presented the Interim Report of the National Health Sub-Committee. After due consideration the National Planning Committee passed its Resolutions on the same.

The audited accounts of the National Planning Committee for the period from 1st January 1940 to 30th June 1940 were passed.

The Report of the Sub-Committee on Woman's Role in Planned Economy was taken up for consideration and the National Planning Committee adopted its Resolutions on the said Report.

The Chairman's Note dated August 30th 1940 was considered on 2nd September. Mr. A. D. Shroff did not accept the conclusion. It was pointed out that certain corrections were necessary in paragraph 10. The Chairman agreed to make them.

The following Resolution was passed:

That a Sub-Committee be appointed consisting of:  
The Chairman, National Planning Committee,  
The Hon. Gen. Secretary,  
Prof. M. N. Saha, and

The Hon. Mr. Shuaib Qureshi; to consider and report upon:

- (a) the integration, and co-ordination of the administrative and other machinery needed and recommended to carry out the Plan when prepared and approved;

- (b) to correlate the decisions hitherto taken by the National Planning Committee on the reports of the various Sub-Committees and otherwise; and to develop out of those a picture of Planned Economy for the country as a whole, as it will emerge out of these correlated decisions, both as regards the objectives which should be achieved at the end of this period of the Plan, and the stages by which these objectives are to be realised within the transition period. This should be done without too sudden or violent a dislocation of the organisation at the time of the commencement of the Plan. It should also indicate what portion of the Plan or measure recommended for achieving it,—can be immediately given effect to by the Provincial Governments; and what will have to be done by the Central National Government.

Mr. Ambalal Sarabhai proposed that in view of the necessity for making further financial provision for the work of the Committee, a Finance Sub-Committee should be appointed.

It was Resolved to appoint a Finance Sub-Committee consisting of Mr. A. D. Shroff, Mr. Ambalal Sarabhai, Sir Purshottamdas Thakurdas, Mr. Shuaib Qureshi, Shri Gulzarilal Nanda, Sir Chunilal Mehta, Mr. G. M. Syed, Mr. Kasturbhai Lalbhai, and Mr. G. P. Hutheesingh (Secretary). This Sub-Committee was to endeavour to collect Rs. 25,000/-.

After further note was received from the Land Policy Sub-Committee it was considered; and at the end of a full discussion certain amendments were made, and the amended Note was passed.

The Committee considered the Interim Report of the Rural and Cottage Industries in the shape of recommended resolution; and after a prolonged discussion the National Planning Committee adopted its resolutions on them.

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## APPENDIX VIII

### RESOLUTIONS PASSED BY THE NATIONAL PLANNING COMMITTEE AT THEIR THIRD, FOURTH AND FIFTH SESSIONS FROM MAY 1940—AUGUST 1940 ON THE REPORTS PRESENTED BY THE SUB-COMMITTEES

At the commencement of the third sessions of the National Planning Committee, the Chairman opened the proceedings with a Note which reviewed the progress of the work so far done, and outlined the procedure to be adopted in considering the Reports which had been submitted by several Sub-Committees.

Reference was made to the deaths of Mr. Narasimha Raju, a member of the Manufacturing Industries Sub-Committee, and Mr. P. N. Mathur, Chairman of the Engineering Industries Sub-Committee.

The following condolence resolution was passed:—

"This meeting of the National Planning Committee has learnt, with grief, of the sudden and untimely death of Mr. P. N. Mathur, who was Chairman of the sub-committee on Heavy and Engineering Industries, and who had prepared a valuable report of that sub-committee, in a comparatively short space of time, which will be a monument to his knowledge, experience and patriotism. The Committee place on record their keen appreciation of the service rendered by the late Mr. Mathur in connection with the said sub-committee of which he was Chairman, and of the sub-committee on Mining and Metallurgy of which he was a member, and authorise the Chairman of the National Planning Committee to communicate this Resolution to Mrs. Mathur and her family, as well as to the Tata Iron & Steel Co. Ltd., who were pleased to permit the late Mr. Mathur to place his knowledge and experience at the disposal of the sub-committee of the National Planning Committee."

After considerable discussion on the procedure to be adopted it was decided to take up each Report, and adopt such of the recommendations made therein, and in such form, as the Committee felt necessary and desirable in each case. As this procedure had not been notified previously, the resolutions of the Committee, had in the beginning, to be drafted on the spot as each Report was taken up for discussion. But, as the procedure continued, it was found more convenient if those responsible for any Report were to draft their own resolutions for consideration by the National Planning Committee. Accordingly, after the first few days, those responsible for the Reports were requested to present, along with their Reports, draft resolutions on the recommendations made in their Report to be considered and adopted by the Planning Committee, with such modifications as the latter deemed necessary in each case. The resolutions given below thus represent either final decisions of the National Planning Committee taken on such of the Reports as were final, or tentative decisions of that body if the Report was an interim one.

The Reports of the following Sub-Committees, which had been previously circulated to the Members of the National Planning Committee, were considered at their third Sessions in May 1948. — 1948 ?

1. Engineering Industries (including Transport Industries)—Final Report.
2. Chemical Industries—Interim Report.
3. Manufacturing Industries—Interim Report.
4. River Training & Irrigation—Part I, Final Report.
5. Population—Final Report.
6. Animal Husbandry & Dairying—Final Report.
7. Labour—Final Report.
8. Currency & Banking—Interim Report.
9. Insurance—Interim Report.
10. Rural Marketing & Finance—Final Report.
11. National Housing—Final Report.
12. Power & Fuel—Interim Report.
13. Horticulture—Final Report.



## ENGINEERING INDUSTRIES INCLUDING TRANSPORT INDUSTRIES

(II/5)

The Final Report of the Sub-Committee on Engineering (including Transport) Industries was presented by Mr. Ratanchand Hirachand, a Member of the Sub-Committee, on the 2nd May 1940. The Secretary, the Hon'ble Mr. M. N. Dalal, was unable to be present. The consideration of the Report was concluded the same day. The following resolutions were adopted.

(i) The National Planning Committee having considered the Report of the Engineering Industries and Transport Industries Sub-Committee resolve that this should be forwarded to the National Planning Commission, when this is constituted. The Committee agree and are firmly of opinion that the establishment of a heavy engineering industry for the manufacture of heavy machinery of all kinds, heavy forgings, boilers, machine tools, locomotives, railway carriages and wagons, heavy engines etc., is essential for the advancement of India, the development of her industries and for the organisation of defence. Such a key industry is the foundation for all Planning. It is necessary that all machinery required in India should be made in India, except in very special cases where this may not be considered absolutely necessary and economically feasible.

(ii) The Committee have appreciated the arguments advanced in the Report for the concentration of this heavy mechanical industry in one National Workshop situated in the coal mining area of Bihar-Bengal. They are of opinion, however, that both these aspects of concentration and location should be further examined by the Planning Commission. While the paramount consideration must be the national interest from the point of view of planned economy, existing plants producing heavy machinery should be encouraged to function where they can do so on an economic basis and advantageously to the nation. It should further be investigated how far the machinery re-

quired can be made, within the scheme of planned economy, in separate plants, situated in different parts of India. But in any event a major factory for producing heavy machinery etc. is necessary and should be started at a suitable centre. The location of such a factory should be decided upon after considering all the relevant factors, such as availability of raw material and power, including hydro-electric power, climate, and possibility of enemy action. It should be further borne in mind that such plants for heavy machinery do not come into conflict with the small tools made by the village blacksmiths or other craftsmen, and thus throw considerable numbers of people in the villages out of employment. The objects aimed at should be to prevent the import into India of foreign machinery and other goods, as far as possible and economically desirable, and to fit this into the larger scheme of planned economy.

(iii) The Committee further agree and recommend strongly that the manufacture of automobiles and other articles and machinery placed in the light Mechanical group should be undertaken at an early date in India. Only one automobile factory appears to be possible under existing circumstances. The location of this should be fixed after further consideration.

(iv) The building up of the Electrical industries as recommended in the Report is considered essential but their location may be decided upon later.

(v) All these industries being key industries, their ownership or control should, in accordance with the previous decisions of the National Planning Committee, rest with the State. The control in such cases should be adequate and effective. Existing plants during the period of transition, as well as small plants, may, however, remain in private hands, but all such plants will be subject to such control by the State as may be necessary in the interest of Planning. The State referred to is the national free State of India, and not a State controlled by foreign authority.

(vi) In the transitional period the State may encourage private capital to start such plants by guaran-



teeing interest for a period of years, imposing heavy duties on foreign articles and otherwise, provided always that the State exercises rigid control of all such undertakings in the interest of national planning. A system of licensing, as previously recommended by the National Planning Committee, is also recommended with this particular object in view.

(vii) Control of foreign companies and foreign vested interests by the State is essential for Planning and for the success of these enterprises.

(viii) The Committee agree that cheap and efficient transport is essential for industrial development, and approve of the suggestion that a Central Board of Communications be established.

(ix) The Committee also approve of a Sales Organisation being set up by the State.

(x) As regards the agency for the management of State-owned concerns, the Committee consider that this question should be further investigated. It may not be necessary or desirable to have the same type of agency for all such concerns. In any event, full advantage should be taken of the technical and managerial knowledge available, and the co-operation of well-established firms should be sought.

(xi) The Committee do not consider it necessary to deal with, or express their views on, the other recommendations and arguments contained in the Report, which will no doubt be considered in greater detail by the Planning Commission.

## CHEMICAL INDUSTRIES

(II/3)

The Interim Report of the Chemical Industries Sub-Committee was presented by Dr. J. C. Ghosh, Chairman of the Sub-Committee, on the 2nd May 1940 Prof. R. C. Shah, Secretary of the Sub-Committee, was also present. Discussion continued on the 3rd May. The following resolutions were tentatively adopted:

(i) In order that Planning may be accurate and effective, a census of all forms of production, including cottage industries, is necessary, and legislation for this purpose should be undertaken.

(ii) The rapid development of the dye-stuff industry is considered necessary; and for this purpose it is recommended that a Dye-stuff Corporation should be formed as soon as possible. This industry is likely to require State aid, and it may be either subsidised and controlled by the State, or owned by it. The Corporation should, in the initial stages, concentrate on the production of particular direct and basic colours, naphthols, and bases, as indicated in the appendix to the report. When the factory or factories under the Corporation start operations and produce dyes etc. of standard quality in sufficient quantity the importation of dyes and intermediates should be prohibited under license for special reasons.

(iii) The immediate establishment of a synthetic ammonia plant is recommended, with a view to making India self-sufficient with regard to synthetic nitrogen fertilisers. Such a factory should produce at least 50,000 tons of ammonium sulphate, which is approximately the present deficit in production in India.

(iv) The question of the proper use of coal should be considered later, along with the recommendations of the Power and Fuel Sub-Committee. The National Planning Committee, however, agree generally with the recommendations that: (a) the use of raw coal for domestic purposes, which involves waste and causes the smoke nuisance, should be prohibited; (b) a sufficient quantity (3 million tons) of coal should be distilled to produce the soft coke necessary for this purpose; (c) the tar obtained from this process, as well as from other factories now in use, should be processed to yield the road tar necessary for improving roads, ammonium sulphate for use as fertilisers, and the chemicals and intermediates essential for the dye and drug industries.

(v) The indigenous synthetic drug industry should be encouraged by a protective duty on synthetic drugs imported from abroad, and by suitable modification of the excise regulations relating to the spirits required for the drugs.

(vi) We recommend that an industry for the manufacture of explosive be started, and that this be State-owned.

(vii) Crude petroleum should be imported into the country and subsequently refined in this country, in accordance with the recommendation of the Tariff Board on this subject, and the import of petrol and kerosene be subjected to a heavy duty.

(viii) Scientific research for industrial purposes is necessary for the proper utilisation of many products in manufactures. There should be a State Department for industrial Research, which should establish a National Chemical Laboratory, as well as such other laboratories as may be considered necessary, encourage research work in Universities, and give facilities for doing research work in different parts of the country, including grants-in-aid to co-operative research work. The National Chemical Laboratory should especially investigate the possibilities of using various chemicals as substitutes, of obtaining necessary chemicals from the available resources, and of starting manufactures as suggested in the Interim Report.

(xi) Heavy chemicals should be protected for a definite period from foreign competition. Such raw materials and chemicals, which are not available in the country, for example, sulphur, arsenic, lead, tin, etc., and some of their compounds, should be allowed into the country free of import duty.

(x) The Chemical Industries, and more particularly the heavy chemicals and tar and petroleum distillation, and associated industries should be owned or controlled by the State.

## MANUFACTURING INDUSTRIES SUB-COMMITTEE

(II/6)

The Interim report of the Sub-Committee on Manufacturing Industries was presented by Mr. Ambalal Sarabhai, Chairman of the Sub-Committee, on the 3rd May 1940. Dr. Nazir Ahmad, Secretary of the Sub-Committee was also present. Discussion continued on the 5th and 8th May. The following resolutions were tentatively agreed to.

1. In the matter of location of industries, the claims of the industrially backward areas should be given special consideration, subject to economic considerations justifying the same.

2. With regard to the location of industries, equal opportunities should be given to every federating unit, subject to economic consideration of employment of labour and development of natural resources, provided similar conditions of work and wages prevail in the unit under consideration.

3. As regards the size of the units, it is recommended that no unit should be so large as to be outside the reach of competition by smaller, but economic units. Units smaller than the economic units should not ordinarily be allowed to be started, except for experimental or pioneer purposes. The size of the economic unit will be decided in the case of each industry by qualified authority.

4. The power, fuel and mineral resources of the country should be fully conserved, scientifically developed, and utilised. We also recommend that where the power, fuel, and forest resources are available, they should be utilised. The details of working out this principle falls more properly within the scope of the Mining and Metallurgy as well as the Power and Fuel Sub-Committees.

5. The Defence Industries (as mentioned on page 102 of the red-book) should be State-owned in peace and war.

The Planning Authority should also ensure, while laying out the plan, to see that non-State owned works, carrying on peace-time activities for private consumption, other than those which constitute Defence Industries, should nevertheless be so equipped and organised that they are capable of being switched over to State service for additional war-time requirements.

6. Public utilities should, as a general rule, be managed by public autonomous trusts.

7. On principle we are opposed to monopolies in private hands; and therefore, all monopolies which are injurious to public interests, or whose acquisition is beneficial to public interests, should be acquired by the State. We recognise, however, that in certain industries it may be inevitable to combine manufacturing units for the purpose of better economic production or selling organisation with a view to prevent profiteering on the one hand and unhealthy competition on the other. In all such cases the units or combines should be under adequate State supervision and control.

8. We recommend that, so far as possible, new industrial concerns should be located in suitably developed open areas, where the necessary facilities for the running of such industries and the proper housing of the industrial population are provided.

9. We recommend that all reasonable measures for the improvement of conditions of work inside the factory, such as the elimination or reduction to a minimum of dust, trash, smoke, etc., regulation of heat, moisture, etc., provision of light, etc., should be adopted in all industrial concerns.

10. We recommend that a reasonable part of the gross profits realised by an industrial concern should be earmarked for depreciation before any other allocation, and the sums ear-marked shall be reserved for this purpose.

11. We recommend the establishment of an *Institute of Industrial Psychology*, whose services should be available to the industry.

12. In foreign countries with which India has substantial trade, Trade Commissioners of Indian nationality should be appointed to act as liaison officers, to disseminate information regarding the Indian procedure, to facilitate transactions between buyers and sellers, to make periodical reports regarding the trend of markets in their areas, and to help in every possible way the concerns engaged in the buying or selling of Indian goods. In the appointment of these Trade Commissioners their qualifications for such work including their knowledge of industry, trade and commerce should be the governing consideration.

13. When any foreign country has established quota arrangements, or other restrictions, in their dealings with India, similar restrictions may be established from the Indian point of view, wherever it is necessary. Clearing agencies for any such purposes must be established, so that the whole of the foreign exchange arising out of trade operations passes through the hands of the State, and may be used by the Reserve Bank as and when it may be necessary for State purposes.

14. Qualified men should be periodically sent out in the principal consuming or potential markets of Indian goods, to make an extensive survey of the changing conditions of the market, and to submit reports thereupon. Where Indian produce is exported, efforts should be made to see whether the articles manufactured from such material cannot be exported from India in a manufactured form, or whether some intermediate transformation of the raw material, so as to add to its value before it leaves India, cannot be achieved.

15. *Museums* should be established both in India and abroad for the display of the raw materials and finished goods of Indian manufacture. In each case special emphasis should be laid on the type of articles which are generally consumed in that centre, or for which there is a likelihood of good demand.

16. Standardisation of weights and measures on an all-India basis should be carried out at an early date, so



that a uniform system of weights and measures is applicable to the whole country. For this purpose a Bureau of Standards should be established at a central place, and this should collaborate with international organisations set up for such purposes. If other conditions permit, the Metric System should be encouraged and adopted.

17. Transport and storage facilities, including cold storage, both in transit and warehouses, should be provided, extended and improved for Indian produce of all kinds according to its requirements.

18. Arts and crafts emporiums for the encouragement of local industries, especially small scale and cottage industries, should be provided by the Provincial Governments and Local bodies.

19. The grading of all agricultural produce in order to ensure proper grades and uniform quality should be completed at an early date, and measures such as the Indian Agricultural Produce Act, Indian Foods and Drugs Act, etc. should be passed and applied wherever necessary. Measures on the lines of the Cotton Ginning and Pressing Factories Act should also be passed and enforced to check malpractices and adulteration of superior with inferior varieties.

20. It is desirable to institute a system of licences for all businesses, more specially the distribution of industrial products, and such licences should be issued by statutory bodies. Amongst the conditions attached to such licences should be one, which would render the licence liable to cancellation, if the conditions laid down for the benefit of the public are violated.

21. Railway freights and classifications should be examined from the point of view of marketing of industrial products; and wherever the incidence of freight adds considerably to the transport charges and acts as a drag on the industry, the freight should be reduced by an appropriate amount, with due regard to safeguarding other interests concerned.

22. We feel that by judicious adjustment it may be possible to establish a mutually beneficial co-operation between large scale and cottage industries as a whole. We favour, therefore, looking at the constituent parts of an industry and apportioning production in such a manner between large scale and cottage industry as to provide for legitimate expansion of both and utmost contribution to national well-being. We recommend that there should be a permanent Board of Research to go into the changing economics of large scale and cottage industries, including its reactions on those employed in the cottage industry and a much larger number of consumers, as a result of which the State may decide their respective scope.

23. We recommend that suitable facilities should be provided in each Province, with special regard to the needs of the Province in the matter of industry and commerce, for training sufficient number of men and women for all kinds of posts in the industrial and commercial concerns. In this connection, special regard should be paid to the training of men for the higher posts, who can design new types of machinery, erect large factories, undertake original industrial investigations with a view to increasing efficiency and reducing wastage and cost, and possess initiative and organising capacity. Where such facilities already exist, they should be expanded in the appropriate manner; where no such facilities exist, new departments, schools or colleges should be opened.

24. Apprentice schemes for the training of apprentices in different industries should be initiated in each area. These schemes should be worked out to give the best results, with due regard to the special interests of each industry, if necessary by legislation.

25. In order to absorb the trained men and women turned out from the industrial institutes, apprentice classes, etc., it should be made compulsory on each industrial concern to employ a certain percentage, which would be determined with due regard to its special interests and requirements, of technically trained men.



26. In special cases the services of highly qualified foreigners may be engaged, on a contract basis, to impart training in special subjects in India.

27. Until such time as adequate facilities are available in India for the training of men and women for all kinds of work in industrial concerns, it would be necessary for Indians to receive this training in suitable technical institutions and industrial organizations in foreign countries. We recommend that in such cases the State should furnish full information regarding such institutions, make the necessary arrangements for the training of Indians abroad, and, in the case of qualified and deserving persons, should render them such financial and other help as may be necessary. It should be a part of the Stores Purchase policy of the State to stipulate for the training of men selected by the State.

28. It is recommended that a Standards Institution should be established at an early date. This Institution should prepare and issue standard specifications for various articles manufactured in India. Such standard specifications will on the one hand, safeguard the purchaser by ensuring a generally suitable quality and performance at a reasonable price, and on the other, safeguard the manufacturer by minimising unfair competition.

This Institution should work in close collaboration with the central standardising bodies in the various parts of the world.

29. The manufacture of machinery of all types should be undertaken in India after a careful survey of the present requirements and resources, and should be expanded progressively in proportion to our industrial development in the future. For this purpose, an immediate survey of the following materials which are essential for the manufacture of machinery should be undertaken, and this survey should be repeated every five years to assess the extent to which, as a result of the fullest possible exploitation of our resources, India is able to produce the materials required for the manufacture of machinery:

Asbestos	Manganese
Asphalt	Mercury
Bauxite	Molybdenum
Camphor	Nickel
Cement	Phosphate-rock
Chrome Ore	Platinum
Cobalt	Potash
Copper	Rubber
Cryolite	Salt
Lead, Magnesite	Sulphur
Felspar	Tin
Graphite	Tungsten Ore
Iodine	Vanadium
Iron Ore	Vanadium Ore
Antimony	Zinc

## RIVER TRAINING AND IRRIGATION (I/2)

Part of the Report of the Sub-Committee, dealing with Irrigation, was presented by Nawab Ali Nawaz Jung, the Chairman of the Sub-Committee, on the 3rd May 1940. Mr. U. N. Mahida, Secretary, was also present. Discussion continued on the 4th May and the following resolutions were passed.

1. With a view to obtain a high degree of co-ordination and correlation of effort, the establishment of a National Water Resources Board, for the conservation and utilisation of water resources in the country, is recommended.

This Board will deal with irrigation, navigation, flood-control, river management, hydro-electric power and use of water for dietetic purposes.

The functions and duties of the Board will be to advise and assist the Administration through:

- (a) the preparation, development, and maintenance of comprehensive plants;
- (b) surveys and research;

(c) the analysis of projects for co-ordination and sequence.

2. Progress at present is greatly hampered owing to uncertainty of water titles, and we recommend that Inter-Provincial-State Commissions be arranged for reconciling the various interest and conflicting water rights.

These Commissions will consist of one representative each from the Provinces and major State interest in the waters, and two independent members from the Water Resources Board.

3. There is great need of extending the system of permanent gauging stations on all rivers concerning which records of flow are important for planning water resources.

4. We also suggest the systematic undertaking of research and investigation to determine the extent and availability of the ground-water supplies, and the relation between their use and depletion.

5. It is important that our rivers should be developed to the greatest possible extent and effectively utilised at the earliest practicable date. For this purpose conservation of water by storage has become a matter vital to the future growth and development of the country, and we recommend the initiation of extensive reservoir system commensurate with the needs of the country.

6. We recommend that no time be lost in drawing up and carrying out a construction programme for an addition of about 12 million acres under 'Government Canals and Reservoirs' in the ensuing two decades.

7. We recommend that a detailed land classification be undertaken to determine whether the land is worth the water that is to be applied to it.

8. We recommend that steps be taken for agricultural planning to be tied in closely with the water control programme. Where perennial irrigation is to be practised, a suitable system of agriculture should be developed beforehand.

9. Where the irrigational interests are large, we recommend that Co-operative Organisations should be established for :

- (a) the careful preparation of land for irrigation;
- (b) the distribution of water under fixed rules and discipline;
- (c) the carrying out of the minor drainage operations, and
- (d) taking steps for the prevention of swamps, stagnant pools, the spread of malaria, etc.

10. We recommend that suitable laws should be enacted to entrust the upkeep of the numerous minor tanks to the village communities concerned.

11. We consider that irrigation management should be recognised as a distinct profession and recommend that steps be taken for providing the requisite training.

## POPULATION

### III/2

The Final Report of the Population Sub-Committee was presented by Dr. Radha Kamal Mukerjee, Chairman of the Sub-Committee, on the 4th May 1940. Mr. B. C. Guha, Secretary of the Sub-Committee, was also present. Discussion continued on the 9th May. The following resolutions were passed.

1. We agree with the view that the size of the Indian population is a basic issue in national economic planning, in so far as its unrestricted increase, out of proportion to means of subsistence, affects adversely the standard of living; and tends to defeat many social and ameliorative measures.

The problem has been fundamentally caused by the lack of all-round, co-ordinated economic development. While measures for the improvement of the quality of the population and limiting excessive population pressure are necessary, the basic solution of the present disparity between population and standard of living lies in the

economic progress of the country on a comprehensive and planned basis.

2. With a deficit in food supply estimated at about 12% of the requirements of the population, and chronic undernutrition and unbalanced dietary of the masses, India should utilise her waste lands, and improve her yield per acre as much as possible.

We recommend that, in relatively sparsely populated areas, land reclamation should be promoted through Rural Settlement Departments; and planned inter-Provincial migration from over-crowded regions should be encouraged, establishing zones of agricultural colonisation in newly reclaimed areas as well as for industrial purposes. The State should own such agricultural areas to avoid the creation of new vested interests.

3. We consider that the prevalent under-nutrition and malnutrition should be tackled by systematic crop planning, stressing the production of heavy-yielding, energy-producing and also protective food-stuffs. We recommend in this connection the establishment of a Central Nutrition Board with regional boards, for developing a national nutritional policy in coordination with the Departments of Agriculture and Public Health. There should also be nutrition research institutes functioning under these Boards.

The present food resources should be more effectively utilised and supplemented, particularly by vegetable or animal proteins, so as to give a more adequate and balanced diet; and an attempt should be made to improve food habits and methods of food preparation of the people, so that they may obtain more nutritive values from the foods consumed.

4. In the interests of social economy, family happiness and national planning, family planning and limitation of children are essential; and the State should adopt a policy to encourage these. It is desirable to lay stress on self-control, as well as to spread knowledge of cheap and safe methods of birth control. Birth control clinics should

be established, and other necessary measures taken in this behalf and to prevent the use or advertisement of harmful methods.

5. We consider that the gradual raising of the marriage age and discouragement of polygamy are desirable in the interests of the limitation of the size of family.

6. The removal of barriers to inter-marriage is desirable for eugenic and other social reasons.

7. An eugenic programme should include the sterilization of persons suffering from transmissible diseases of a serious nature, such as insanity or epilepsy.

8. For the blind, deaf, mute, infirm, feeble-minded, and other socially inadequate persons, we recommend that there should be more adequate and more appropriate institutional care and vocational training through hospitals, special schools, colonies and homes, in order that they may prove useful and be not an excessive burden to society.

9. When planned society comes fully into being, occasions for individual unorganised or sporadic charity will have no place. Misfortunes for which such charity is at present provided will be far rarer then, and such as occur will be guarded against by the collective obligation of the State. Even during the transition period, individual almsgiving must give place to organised relief and institutional care.

10. All social handicaps which come in the way of equality between man and man, and man and woman, must be abolished. Untouchability and all such-like disabilities must be completely ended.

11. The maintenance of vital statistics, and the carrying out of periodic demographic surveys on comprehensive lines, are necessary; and appropriate machinery should be devised for the purpose.

## ANIMAL HUSBANDRY & DAIRYING

(I/5)

The Final Report of the Animal Husbandry and Dairying was presented by Sir Chunilal V. Mehta, Chair-

man of the Sub-Committee, on the 4th May 1940. The Secretary, Rao Bahadur M. R. Ramswamy Sivan, was unable to be present. Discussion continued on the 8th May. The following resolutions were passed.

India has the largest proportion of animal production in the world, a considerable proportion of which is useless and burdensome. Means must, therefore, be found by sterilization and by other ways to reduce the size of the present cattle population, and also to guard against the increase of useless animals in the future. Though the number of animals is the largest in India, the produce per animal is miserably poor. Means must be found to increase this produce per animal, and to make the cow an economic proposition, and to cheapen the cost of cow's milk products. With this end in view, while generally approving the Report of the Sub-Committee on Animal Husbandry, the following recommendations are made:—

1. The first essential is the breeding of Pedigree cattle suitable for regional areas with a view to distribute the bulls and cows on the premium system throughout the villages. The responsibility for doing this must rest with Government.

2. The objective of breeding should be what is known as the general utility or dual purpose animal, as India is an Agricultural country requiring bulls for cultivation, though the combination of milk and draught characteristics, including for agricultural operations, may mean some sacrifice in both to a certain extent. This policy is also necessary because animals cannot be bred for slaughter in view of the strong sentiment in the country in this matter.

3. Breeding should be done by selection from indigenous stocks as the experience of crossing with foreign breeds has not been happy.

4. Legislation on the lines of the Punjab and Bombay, but with its provisions considerably strengthened, should be undertaken by sterilising bulls and ringing cows which are found to be useless and superfluous, with a view to replacement ultimately by pedigree animals.

5. The system of dedication of Brahmani Bulls should be carefully watched so that only proper bulls, and ultimately pedigree bulls, are selected with the help of village panchayats and with the approval of the animal husbandry authority.

6. The question of Government Cattle Farms, Co-operative Organisation for Cattle breeding and for Milk Production, Transport and Processing, and for the Distribution of Premium Bulls have been recently examined in the report of the Expert Cattle Committee, Bombay, 1939, whose recommendations may generally be taken as the basis of work, *mutatis mutandis*, in other Provinces and States.

7. Proper provisions should be made for fodder, controlled grazing, silage, throwing open of forest areas, where feasible, and by legislative insistence, where practicable, on the cultivator setting apart a portion of his holding for fodder crops.

8. Good animals require good food, and the question of animal nutrition requires further research.

9. Cow's milk is an excellent article of diet for human consumption, and surpasses buffalo's milk. When the arrangements mentioned above have been made and sufficient quantity of milk can be provided, there should be a drink-more-cow's-milk campaign, especially in cities, where the taste has been developed for buffalo's milk. The creation of a demand for cow's milk will be a great support to the dairying industry. Buffalo's milk is preferred because of its fat content. The objective of breeding should aim at increasing the butter content of cow's milk which can be done. This will also help the use of cow's milk for ghee manufacture for which there is a demand in the country.

10. Profitable production of pure milk and milk products is greatly handicapped by the unfair competition of unscrupulous vendors and distributors of adulterated articles. There should be adequate provision of law against this, and it should be strictly enforced. The competition



of what is called vegetable ghee should be provided against. It is desirable to give a generic name to these hardened oils and the use of the word "ghee" should be prohibited for these products. Some distinctive colour should be given to these products at the factory, so that they cannot be mistaken for "ghee". The distinctive colour may be such as not to affect the colour of the cooked food.

11. Dairies should be removed from cities to rural areas at a suitable distance from them, both because the cost incidence in cities is high, and because it leads to the slaughter of our best animals as well as to the cruel and disastrous process of phooka. Transport facilities should be given.

12. Slaughter houses should be strictly controlled by a Veterinary Officer, who should see that no animals that are capable of being useful are destroyed. Regulations should be made to provide against the slaughter of animals serviceable for agriculture and for milking purposes. The objective should be to make the keeping of animals an economic proposition.

13. Pinjarapoles and Gorakshak Mandals who derive their funds from trade should be persuaded to take up cattle breeding at least as a part of their activity.

14. In tracts where male buffalos are used for cultivation and transport, attention should also be paid to the breeding of good buffalo stock.

15. Much more attention should be paid to animal husbandry as an important department of Government. The subject of Animal Husbandry should find a place in the curricula of the appropriate educational institutions. Research in all branches of Animal Husbandry and Dairy Produce should also be encouraged.

16. Timely prevention of cattle disease, control of epidemics, and compulsory inoculation are recommended. More research is required on animal diseases.

17. The Committee are of opinion that there is scope in this country for manufacturing milk products like Casein, Skim Milk powder, Condensed Milk etc., which are

now imported; and this industry should be safeguarded. In the manufacture of ghee it should be examined whether the preparation of it from creamery butter is not as good as, or better than, the deshi method from whole-milk curds.

18. The Sub-Committee's recommendations with regard to the breeding of sheep, goats and poultry, and also with regard to Bee-Keeping, are generally approved.

## LABOUR

### III/1

The Final Report of the Labour Sub-Committee was presented by the Chairman of the Sub-Committee, Mr. N. M. Joshi, on the 6th May 1940. Mr. V. V. Giri, a member of the Sub-Committee, was present. The Secretary of the Sub-Committee, Mr. V. R. Kalappa, was unable to be present. Discussion continued on the 7th and 8th May. The following resolutions were adopted.

1. Regulation as regards living and working conditions of the employees, including hours of work, employment of children, provisions for safety and sanitation, social insurance and such other matters, should apply, subject to such variation as may be necessary owing to the nature of the occupation, to industries and occupations to which so far no such regulation has been applied.

2. It is of paramount importance that certain essential human standards be maintained. In giving effect to any regulations for the improvement of living and working conditions, due regard will be paid to the interests of the consumer, and the capacity of each industry to support this obligation. In the event of an industry not being able to comply with these conditions, the State may protect, subsidise, or take it over, if it is in the interest of the community to do so.

3. *Hours of Work*:—Working hours should be limited to 47 hours per week and nine hours per day. This should not lead to any reduction of earnings. It is recommended that a committee should investigate into all the questions

arising out of the application of a 48 hour week on an all-India basis, including conditions of work.

4. This provision (relating to hours of work in resolution 3 above) shall apply to all employees in—

(a) factories and workshops, employing five or more persons and using mechanical power, or to factories and workshops employing ten or more persons even though not using mechanical power;

(b) mines and quarries;

(c) public transport services using mechanical power.

5. The principle of limiting the total weekly hours of work should be applied to other industrial and commercial occupations, including plantations, building works, public utility services, with due regard to the nature and varying conditions of the occupation.

6. *Child Labour*:—The minimum age of employment of children should be progressively raised to 15, in correlation with the educational system.

7. *Health and Safety*:—In view of the specially technical nature of the problems of health and safety, a special committee should be appointed to make detailed investigations and recommendations for improving provisions for the health, safety, and conditions governing night work, in all regulated undertakings.

8. *Wages*:—A wage fixing machinery should be established early in all provinces, in order to secure for the workers a living wage, fix minimum wages, consider other questions relating to wages, and obtain for them a decent standard of life, health and comfort.

There should also be a Central Board in order to co-ordinate the activities of the Provincial Boards.

9. *Housing*:—The question of Housing should be considered as a national obligation of the State; and should, therefore, be more fully considered in connection with the Housing Sub-Committee's recommendations. It is desirable therefore for the State, including the Local Body, to make provision for housing, as well as for co-operative schemes to be undertaken.

During the period of transition, and in order to improve housing conditions as rapidly as possible, employers should be required to erect suitable houses for workers, provided that full provision is made for freedom of movement and association, and against victimisation by way of ejection during industrial disputes. Where necessary, facilities for transport should be provided.

10. *Holidays With Pay*:—All industrial employees should be given at least 10 continuous working days (exclusive of public holidays) as paid holidays after 12 months service.

11. *Workmen's Compensations*:—The present rates paid by way of compensation should be examined and made adequate.

12. *Maternity Benefits*:—Maternity benefit legislation should be undertaken on the general lines laid down by the Geneva Convention of 1919, in regard to the period before and after childbirth, and payment being made out of a special public fund.

13. The Committee resolved that the right of woman workers to get equal pay for equal work must be recognised.

14. The system of compulsory and contributory social insurance for industrial workers should be established directly under the control of the State, to cover the risks of sickness and invalidity other than those covered by the Workmen's Compensation Act. Schemes for providing alternative employment to those involuntarily unemployed, Old Age Pensions and Survivors' Pensions, and also Social Insurance to cover risks of sickness and invalidity for all, should be established directly under the State. These schemes should be extended by stages, priority being given to particular classes of workers, with due regard to the relative urgency of their needs, facility of application, and to the ability of the community to provide for them.

15. *Literacy*:—A nation-wide campaign of adult literacy and education should be started by making it obligatory on every illiterate adult to attend a literacy centre

for a fixed period. The necessary finances required for launching the scheme should be provided by the State.

16. *Technical Education*:—Provision should be made for technical education of the workers by establishing Day and Night Schools for the purpose, so that the worker might also learn an alternative occupation. After the State has made suitable provision, a certain period should be fixed after which only literates will be employed.

17. *Trade Unionism*:—Legislation should be passed to recognise Trade Unionism as an essential and integral part of the economic system.

18. *Trade Disputes*:—Machinery for the settlement of disputes should be provided by Government in the form of a Conciliation Board and an Industrial Court.

19. *The Labour Inspectorate* should be strengthened in the various provinces and should include women. Co-operation between Inspectors of various provinces should be established by periodical conferences.

20. *Labour Legislation*:—It is desirable to have uniformity and co-ordination in labour legislation all over India. There should, therefore, be full co-ordination between the Centre and the Provinces, and the Provinces and States *inter se*, and appropriate machinery for this purpose should be devised, such as Tripartite Industrial Councils representing the Government, the employers and labour. This principle of uniformity and co-ordination should be borne in mind when prescribing the respective spheres of Central and provincial legislation affecting labour.

21. Both in the interest of the industry and the community, it is desirable to associate the workers progressively in the control system.

22. *Domestic Service*:—The case of those engaged in domestic service requires special attention and legislation in regard to their hours of work, wages, holidays, social insurance, and the like.

23. In order to remove the practical restriction on the freedom of movement and association of the workers on plantations, legislation should be undertaken with a view to providing public roads leading to the workers' places of work and residence, and sufficiently large open spaces near their houses.

24. The right of repatriation of the workers on plantations should be made adequate.

25. *Seamen*:—An Employment Bureau under Government control should be set up in each major port, and recruitment of seamen should be made only through such a bureau. The work of the bureau should be carried on by persons possessing practical experience; but there should be a Joint Maritime Board to tender advice on all matters concerning the work of this bureau. This Joint Maritime Board should include an equal number of representatives of ship owners and seamen.

26. There should be adequate accommodation, with light and air, and sufficient food of proper quality on board, and there should be no racial discrimination in regard to these.

27. *Dockworkers*:—Each major port should have a register of all workers who have a genuine claim to be regarded as dock labourers, and appropriate arrangements should be made for the proper rotation of work. This principle should be extended to other classes of casual labour, wherever possible. Labour exchanges and other appropriate machinery should be devised for the recruitment of all classes of workers.

28. *Industrial Disputes*:—Under Planned Economy, legislation should be passed for adjudication of industrial disputes by impartial tribunals.\*

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\* The question of arbitration in industrial disputes had been previously discussed on May 7th. It was further discussed before this resolution was passed. Prof. R. K. Mukherji was opposed to any provision which might come in the way of strikes even under Planned Economy. Mr. N. M. Joshi stated that he would like to see the future State before he could commit himself to the principle underlying this resolution. Much depended on the nature of this State. He would therefore suspend judgment till then.



**CURRENCY & BANKING**

(IV/4).

The Interim Report of the Currency & Banking Sub-Committee was presented by Mr. Manu Subedar, Chairman of the Sub-Committee on the 7th May 1940. Prof. C. N. Vakil, Secretary of the Sub-Committee, was unable to be present. Discussion continued on the 9th and 10th May. The following resolutions were tentatively adopted:

1. The Reserve Bank of India is dominated by British financial interests and carries out policies dictated by them. The Bank must therefore be nationalised, and be owned and managed by the State.

2. Banking business of every description must be carried on under a license, and must be subject to such regulation, supervision and general control as the Central Banking Authority imposes from time to time.

3. One of the essential conditions of the license to do banking business in this country should be that at least 95 per cent of the personnel will be Indian. In the case of banks registered in India, all the directors should be Indian nationals, the employment of any foreigner in any such bank will be left open as expert adviser only, and not as chief executive or manager.

4. Banks not registered in India should be prohibited from receiving any deposit or raising loans, in the same manner as in the United States of America.

5. Banking facilities in the country must be widened and made easily available to the mass of the people, by means of an adequate number of branches of large Joint Stock Banks, small local banks, improvement and extension of Post Office Savings Banks, Co-operative Banking Societies, and private bankers, under a proper system of regulation.

6. All inland remittance charges should be eliminated. The Hundi system should be encouraged and strengthened, and Discount Houses should be established.

7. The Stock Exchange should be re-organised, and should work under very strict public control, so that they might function primarily as institutions to help investors.

8. All commodity markets, in which future or forward dealings take place, must be under regulations approved by the State.

9. All import and export trade must be done under a system of licenses, which should be freely given; but which would be so designed as to enable the State to have the fullest information regarding the direction of the trade, and to facilitate control and regulation as they are found necessary.

10. Increasing use should be made for foreign trade in staple articles of recognised corporations, especially charged with functions of exporting and importing.

11. The entire foreign exchange business of the country should be conducted under the complete control of the Reserve Bank, and in such manner as it may determine from time to time. The Reserve Bank should make Foreign Exchange available to the other banks within limits of safety for the external value of the Indian currency.

12. Drastic steps should be taken to prevent drain of funds from the Indian money market in respect of insurance premia. The State should exercise greater control over all insurance funds with a view to ensure not only their safety but maximum utilisation for national purposes.

The Sub-Committee had recommended the extension of the State insurance scheme to the public with a view to eliminate private enterprise in this field. As this question had also arisen in the consideration of the Insurance Sub-Committee's Report, it was decided that a decision should be taken at a later stage.

13. The value of the Indian Currency Unit, whether at home or abroad, should be regulated exclusively by considerations of benefit to the Indian national economy, and not in the ruinous manner as at present, when the Rupee



is linked to the Sterling. The link of the Rupee with the Pound should be broken as early as possible, all necessary steps and precautions having been previously taken.\*

14. While in Planned Economy, fluctuations and depressions will be reduced to a minimum, it is desirable that, meanwhile, these should be controlled, and sudden or prolonged fluctuations avoided, by the Central Monetary authority in the country. For this purpose several Index Numbers, based on different commodities and different considerations, should be kept to indicate the direction of these fluctuations as also the progress of the Plan. The Central Monetary authority should regulate the price levels and other conditions through the adjustment of the volume of currency and credit.

15. No reserves against the Indian Paper Currency, or the Indian Credit and Banking system, should be in sterling, as hitherto. All such reserves should be normally in India, but the Reserve Bank should have discretion and powers of holding a portion at such places abroad (in gold only in quantities laid down by law) as is considered desirable and necessary. Reserve in gold should not be permitted normally to be kept out of India.

16. The export of gold from India on private account must be prohibited forthwith, and the import of gold must be confined to the Reserve Bank only.

17. To improve the credit and financing facilities available to the primary producer, we recommend that warehousing facilities should be provided or organised by the State all over the country to enable the producer to place his produce in such warehouses. We recommend that the charges in connection with these warehouses should be eliminated and borne by general reserve, or, in any event,

\* There was a note of dissent to this Report by Prof. K. T. Shah, which was discussed for some time. Several members stated that while they were attracted by this new approach to money, it was not clear to them how it could be made feasible and practicable. It would be in the nature of an experiment. Mr. Ambalal Sarabhai suggested that Prof. K. T. Shah might write a fuller note on the subject, explaining his point of view and how it could be applied. This note should be circulated to members of the N. P. C. Prof. Shah agreed to this.

such charges should be as low as possible. Against the produce thus deposited, a receipt should be given to the producer who should be entitled to raise the money needed on the strength of this receipt.

18. The State will prevent profiteering and control price levels in the interests of the consuming public and of Planned Economy.

19. We recommend the establishment of Consumers' Associations at principal centres, with a view to protect the interests of the consumer in respect to quality, price and weight of goods, etc.

In order further to protect the buyer and check the habit of bargaining, we recommend that retail dealers should be made to fix their prices and exhibit them openly.

## INSURANCE

(IV/5)

The Interim Report of the Sub-Committee on Insurance was presented by Sir Chunilal V. Mehta, Chairman of the Sub-Committee, on the 7th May 1940. Mr. K. S. Ramchandra Iyer, Secretary, Mr. B. K. Shah and Mr. J. C. Setalvad, members of the Sub-Committee, were also present. Discussion continued on the 8th and 11th May. The following resolutions were tentatively adopted:

1. In order to organise the National Insurance system on a sound, all-round, nation-wide basis, embracing every contingency having to be insured against, it would be necessary for the State to establish a central, co-ordinating, national insurance board, which may be an autonomous board appointed by the Government and including representatives of the interests concerned.

Such a Board would not only provide for the management of such of the insurance business as is carried on by the State or any of its representatives directly, but also for the supervision, control, and regulation of those portions of the insurance business which are under private enterprise, and also for those to which the State becomes a contributory.

This Board will also collect the necessary data and statistics, as also supervise the technical education of insurance workers.

2. Any scheme of National Insurance must provide for the entire insurance service being organised by indigenous enterprise.

3. Where direct or indirect advantages are enjoyed by non-Indian insurance enterprise as against corresponding Indian enterprise, they must be effectively dealt with.

4. Non-Indian business operating in India should, likewise, be required to reinsure their Indian as well as non-Indian business with the National Insurance Authority in India, on a basis of reciprocity.

5. With a view to make insurance co-extensive with all insurable contingencies as integral part of the Plan, the State should, by legislation or executive action, as the case may be, adopt every device to facilitate such extension and expansion.

6. In order to facilitate extension and expansion of the Mutual and Co-operative system, wherever considerable numbers of people, workers or otherwise, are to be found under more or less homogeneous conditions, every facility should be provided to encourage them to organise as Mutual or Co-operative Societies for Insurance against their common contingencies of life.

7. Regarding para II of the Report, we agree that social security should be assured to all classes of workers, but the particular method of assuring it should be decided in co-ordination with the recommendations already made in connection with the Report of the Labour Sub-Committee.

8. Insurance being a necessary service to the public, it is desirable that it should be made available at the cheapest cost possible. In order to bring this about, the cost of acquisition and renewal should be maintained at a reasonably low level, and the multiplicity of middlemen should be avoided.

9. (i) It was desirable to extend the benefits of life insurance to the largest number of people, and to do this as cheaply and efficiently as possible.

(ii) This should be not the monopoly of private enterprise, but private enterprise may continue.

(iii) The State should extend its life insurance scheme, at present confined to government officials, to the public generally, so that its benefits may extend to the mass of the people.

(iv) Thus for amounts within the upper limit fixed by the State for its own life insurance scheme, the State and private enterprise will function jointly; larger amounts will be dealt with at this stage by private enterprise only.

(v) Co-operative and mutual forms of life and other kinds of insurance, friendly societies and the like, should be encouraged to be conducted by private enterprise.

(vi) Other forms of insurance, besides life, may continue to be conducted by private enterprise.

(vii) The State should protect and encourage Indian private enterprise as against foreign enterprise in India.

(viii) The question of extending still further the activities of the State in the field of insurance will depend on future results and the experience gained.

## RURAL MARKETING AND FINANCE

### I/1

The Final Report of the Rural Marketing and Finance Sub-Committee was presented by Dr. Sudhir Sen, Secretary of the Sub-Committee, on May 9, 1940. The Chairman of the Sub-Committee, the Hon'ble Mr. Ramdas Pantulu, was unable to be present.

Discussion continued on the 11th, 12th and 14th. The following resolutions were passed.

1. The practice of gambling in "futures" markets is objectionable and injurious, and should be put an end to.

2. "Utilisation" industries, e.g., for canning fruits, producing fruit juices, tomato sauce, chutney, etc., and

“processing” industries. e.g., husking paddy, grinding wheat, curing tobacco, will directly widen the market for many agricultural products and frequently fetch higher net prices. Steps should be taken all over the country to explore the possibilities of developing such industries.

3. Adulteration of food has become a growing menace in this country. The consumer should be better educated to appreciate the purity of foodstuffs, and, if necessary, pay a slightly higher price. In addition, the existing Pure Food Laws should be re-examined and supplemented whenever necessary, and must be strictly enforced so as to stop the evils of food adulteration.

4. *Rural Finance*: The failure to draw a distinction between short-term and long-term finance has been a weak feature in the rural credit system. Suitable institutions for meeting these two types of credit requirements should be developed, and simultaneously steps should be taken to increase the credit worthiness of the cultivator.

5. The growth of co-operative land mortgage banks has been very slow except in Madras, their individual loans are relatively small, while the total volume of their transactions has never been large. The extension of these banks on proper lines can go a long way in meeting the demand of the cultivator for long-term accommodation. It is desirable, however, to supplement co-operative land mortgage banks, with State or State aided banks for dealing with long-term agricultural credit. The credit thus raised should be used for productive purposes.

6. Short-term loans are needed by the cultivator mainly for his seasonal operations and for the marketing and movement of his crops. He should, therefore, be in a position to borrow against the hypothecation of the crop to be raised and against the produce after it has been raised. In order to render crop hypothecation both cheap and easy, the necessary security must be provided by taking such steps, as making it an offence for a cultivator to remove or dispose of hypothecated crops, creating a form of chattel

mortgage in respect of the crop in favour of the creditor whose claim will have priority over all others. The creditor in this connection means the State, a co-operative society, or some similar agency controlled by the State.

7. We recommend strongly the establishment of the system of public Warehouses for storing the produce of the cultivator on the lines suggested by this Sub-Committee. The Warehouse receipt may be used as security for obtaining accommodation.

8. We recommend that regional investigations on the problem of Rural Marketing be made on scientific lines. It is also necessary to have more detailed and accurate statistical information than has hitherto been available. Steps should be taken to compile more comprehensive statistics on agriculture (production, consumption, trade, etc.), and the appropriate agency for this purpose should be devised.

9. In a planned society, Rural marketing should be organised on the co-operative principle, and eliminate unnecessary transportation of goods. The purchases of rural requirements should also be included in the above organisation.

10. For the transitional stage, we recommend that regulated markets should be extended widely and worked more efficiently in the interests of the cultivators. All dealers in agricultural produce should be licensed in order that their transactions may be controlled.

11. Standardisation and grading of agricultural produce should be introduced, and grading stations under State control established, as quickly as possible. The introduction of standard contracts should be expedited so as to cover the staple products of India. The market news service should be further developed.

12. In view of the fact that the attitude of the Reserve Bank has so far been unhelpful in regard to agricultural credit, we are of the opinion that the powers conferred on the Bank by Sec. 17 of the Reserve Bank of India Act should be utilised immediately to make the financial facilities more easily available to the cultivators.

## NATIONAL HOUSING (VI/1)

The Final Report of the Sub-Committee on National Housing, was presented by Mr. S. D. Prabhavalkar, Chairman of the Sub-Committee, on the 10th May 1940. Mr. S. B. Joshi, Jt. Secretary of the Sub-Committee, was present, while the Secretary, Dewan Bahadur V. G. Shete, was unable to attend. Discussion concluded on the same day. The following resolutions were passed.

1. We recommend the creation of statutory authorities namely (i) Central Housing and Planning Board; (ii) Provincial Housing and Planning Boards. The former will be concerned with general principles, policy, programme, finance, technique, standardisation and research on broad lines. The latter will guide and control all schemes, but not their details. Necessary legislation will be undertaken which will provide for the initiation and execution of the programme. Women's role in National Housing being important, we recommend that they be given adequate representation on these Boards.

2. Rural Housing should be undertaken in co-ordination with rural reconstruction, and should generally be based on ownership, and not tenancy, of the house and site, the latter on a basis of long lease if ownership is not possible. The programme of such rural housing should be carried out with due regard to the environment as well as the resources of the country, and with such aid from the State as may be necessary. The programme should include particularly the building of *Panchayat Ghars* in villages where community life and cultural activities of the villagers can be developed, including school, library, lecture hall, co-operative store and the like. Adequate equipment for games and sports should also be provided. The *Panchayat Ghar* should make due provision for the needs of women and children.

The State aid mentioned above should particularly include advice or assistance in matters of village sanitation and skilled labour.



3. Cattle should be accommodated in such a manner that the health of human beings does not suffer and proper sanitary arrangements are provided.

4. Urban housing is to be regarded as a public utility service, the responsibility for which primarily rests with the State. This should not, however, exclude private enterprise, suitably controlled by the State.

5. Definite standards for various types of unit house accommodation shall be laid down by the appropriate authority.

6. The State will make requisite arrangements for financing the Housing Programme, if necessary, by loan.

## POWER AND FUEL

### II/2

The Interim Report of the Power and Fuel Sub-Committee was presented by Dr. Megh Nath Saha, Chairman of the Sub-committee, on the 12th May 1940. Prof. A. K. Shaha, Secretary of the Sub-Committee was also present. Discussion continued on the 13th May. The following resolutions were passed:

1. We agree with the view that the rates for energy in India are unduly high and power has been very inadequately developed, and this has stood in the way of promotion of industries, particularly electro-chemical and electro-thermal ones. This is due to the failure, on the part of the Indian Government, to adopt a National Policy on Power and Fuel, in spite of the suggestions put forward by the Industrial Commission of 1918, and in spite of the world-wide movement for rational and co-ordinated development of power resources in all countries of the world.

2. We recommend that in view of the fundamental importance of power developments, the huge capital investment required, and because it may involve the interests of more than one Province or State and for other reasons, the State should develop a definite National Power and Fuel Policy on the following lines:—



- (a) That all power and fuel resources of the country should be regarded as national property, and should be fully conserved, scientifically developed, and utilized, with a view to bringing power, particularly electrical power, at the service of everybody for domestic and industrial use, at the cheapest rate;
- (b) As the generation and distribution of electricity is a public utility of great importance, the State should ultimately own it and the control and management of it should be exercised by the Electricity Boards, as hereinafter provided for;
- (c) That the State should take the initiative to bring into existence all future schemes of regional power developments and public power supplies, particularly hydro-electric stations inasmuch as the working of such stations depends on the use of water resources which, however, have multifarious other uses affecting extensive areas, and large populations, e.g. for irrigation and navigation, for drainage and soil conservation; further because the State alone is in a position to reconcile and integrate all features of power schemes, financial success, cheap servicing, use over wide-spread area; and land acquisition and settlement of populations;
- (d) That in view of the limited reserves of coal, which cannot be replenished, and is indispensable for such essential industries as smelting of iron ore, production of synthetic dyes and other essential chemicals and because of the finding of the Coal Mining Committee of 1937, that coal is being mined, processed, and marketed in a very wasteful way, greatly injurious to the interests of the nation as a whole, very strict State control should be exercised on all phases of the coal industry. Further in regions far removed from coal-fields, coal for power production

should, as far as possible, be replaced by hydro-electric and other sources.

3. We are of opinion that in order to implement the National Policy on Power, it is necessary to create Provincial Electricity Boards and Central Electricity Board and for implementing the National Policy on Fuel, there should be a Central Fuel Board. The Central Electricity Board will co-ordinate the activities of the Provincial Boards and formulate the general national policy. Wherever necessary, two or more Provinces or States may form a Regional Board.

The Central Electricity Board and the Central Fuel Board will work in co-ordination with each other.

The Provincial and Regional Boards shall be statutory bodies which shall be the sole vendors of electricity in bulk, and shall put up, where necessary, special power stations of their own, and shall set up grid systems for the purpose of supplying electricity wherever possible.

The functions of the Electricity Board will be as follows :

- (i) To carry out surveys of the water power resources in India.
- (ii) To examine schemes for the generation and full utilisation of electrical power.
- (iii) To take steps for the progressive reduction of rates, and for this purpose, wherever necessary, to reorganise existing distributing systems.
- (iv) To standardise electrical equipment and practice.

#### 4. *The Hydro-electric Survey of India :*

The Hydro-electric Survey of India should be an all-India body with a suitable headquarters, and should be of the same status as the Trigonometrical and Geological Survey of India, and should work in co-operation with the National Water Power Resources Commission. Under its direction, survey work should be carried out by provincial agencies wherever possible or by its own staff, when pro-

vincial agencies are not available. The survey ought to be undertaken according to the natural hydrological divisions of India, e.g. the Ganges basin, the Indus basin, the Western Ghats, Deccan Plateau. It should be a permanent body like the Royal Water Power Board of Sweden or the Federal Hydro-dynamical Survey of Canada. The survey should be carried out in a comprehensive manner, as laid down by the World Power Conference and all records and data should be analysed at the headquarters stations and used for development of power.

5. We favour a policy of electrification of railways.

6. The Indian Electricity Act should be amended to give effect to the policy enunciated in the above resolution.

7. *Coal* : We consider that in the interests of the nation it is imperative that coal mines and the coal mining industry, as well as the oil fields and other sources of natural fuel, should be completely nationalised. This industry should be conducted by a National Fuel Board, with sections for Productions; Processing, Research and Utilisation; and Distribution and Marketing and Transport. Research work should be started immediately.

#### 8. *Liquid Fuels* :

(i) The State should establish a geophysical prospecting department, with modern equipment and a competent staff, and carry on an intensive search for petroleum sources in the country.

(ii) The development of the Power Alcohol Industry should be encouraged by the State, and all impediments in the way of this development must be removed, as this power alcohol is the most important liquid fuel which can be developed easily from various indigenous agricultural and forest products.

(iii) Intensive propaganda work should be started to replace kerosene by non-edible vegetable oils, and research should be carried on to devise suitable burners for this purpose.

- (iv) A new orientation to the scheme of soft coke manufacture should be given by making it obligatory for all to recover the by-products for the purpose of further treatment in distillation plants.

## HORTICULTURE

### I|7

The Final Report of the Sub-Committee on Horticulture was presented by Mr. Jabir Ali, Secretary of the Sub-Committee, on the 14th May 1940. Dr. G. S. Cheema, Chairman of the Sub-Committee, was unable to be present. Discussion concluded on the same day. The following resolutions were adopted:

1. The National Planning Committee having considered the Report of the Sub-Committee on Horticulture, record their general agreement with the recommendations made therein. The Committee are of opinion that the present consumption of fruit and green vegetables in India is very low and infrequent, which affects the health of the people considerably. It is necessary, therefore, to increase this consumption, as a part of the regular diet of the people, to such a degree as may be deemed adequate by nutrition experts. For this purpose the people should be educated and encouraged to consume more fruit and green vegetables. The following measures are calculated to achieve this object and are accordingly recommended :

- (i) protecting the fruit grower in India by levying adequate duties on imported fruit;
- (ii) to set apart sufficient areas of land for the purpose of developing fruit cultivation;
- (iii) providing cold or other forms of storage (e.g. gas) in markets as well as during transport;
- (iv) adjusting internal transport rates so that they are in keeping with the ability of the fruit grower and the consumer;
- (v) extending the system of regulated markets to the trade in fruit;

- (vi) encouraging the cultivation of fruit and vegetables for personal use;
- (vii) encouraging, after the local and Indian market has been fully supplied, the export of surplus fruit, or fruit which is the monopoly or speciality of India.

2. Horticulture should be treated as an integral subject in the curricula of agricultural colleges and the Universities, and facilities should be offered for specialised post-graduate study. A Central Horticultural Institute should be established in a suitable place to promote research. This research shall include the question of introducing suitable foreign plants in India and also the development of all seeds required for growing flowers and vegetables, and for medicinal plants, as well as in modern methods of storage.

3. Market gardening for vegetables and flowers should be extended and developed and the industry consisting of the making of essences, attars, oils, etc. should be encouraged to meet progressively the demand of the Indian market.

4. Other industries connected with horticulture e.g. apiculture, sericulture, etc. should also be established or encouraged.

#### RESOLUTIONS ADOPTED BY THE NATIONAL PLANNING COMMITTEE AT THEIR FOURTH SESSIONS IN JUNE 1940

##### RIVER TRAINING & IRRIGATION SUB- COMMITTEE

(I/2)

The Final Report, Part II of the River Training and Irrigation Sub-Committee, was presented on the 21st June by Nawab Ali Nawab Jung Bahadur, Chairman of the Sub-Committee. Mr. U. N. Mahida, Secretary of the Sub-Committee, was also present. Discussion continued on the 22nd June, and the following resolutions were adopted:

1. Considering the ever-present danger to the social security or life of the people, we feel that flood abatement

and protection measures should receive the closest attention. Temporary expedients so far have proved to be of little avail. A very comprehensive policy is called for, and every possible method of the solution of the problem will have to be analysed as regards its advantages and disadvantages, and examined in respect to its feasibility, its dangers, and its cost.

2. The conclusion we have reached is that flood and famine are two aspects of one and the same problem, viz., the full economic development of the water resources of the country for the service of man. The development of flood-protection policy should, therefore, not be separated from that of the national policy governing water resources in general. We are confident that to harness the resources, so as to secure the greatest public benefits for all purposes to which water can be put, will be not only wise statesmanship but good economics.

3. We find that the policy of haphazard raising of flood banks in defiance of the rights of rivers to have sufficient space for their accommodation has failed to accomplish its design, and experience has shown that this policy has led to disastrous results. We recommend that requisite control be exercised over such harmful constructions, in which due attention has not been paid to the laws of flow.

4. We suggest that there should be a proper planning of settlements, and that the utmost care be exercised in future to prevent commercial developments on land which is not fitted for human occupation.

5. We wish to draw attention to the prime importance of maintaining river systems in efficient working order,—a phase of the problem in which united action on the part of the people and of the State is indispensable. If rivers are to remain efficient flood carriers, such harmful acts as indiscriminate stripping of forests, unnecessary removal of vegetation, improper tilling, extensive grazing, unsuitable drainage, and unduly great abstractions of the low flows of rivers in their upper reaches, should be avoided. It should

be realised that the consequences involved by such acts are vast. They lead to flood impetuosity on the one side, and on the other side, to deterioration and decay of rivers, by lowering of the water-table and by flood-plain deposits growing coarser. It is necessary to restore woodlands, to afforest watershed areas, to adopt every other practicable means of detaining water and retarding flow, and to improve the drainage.

6. A matter that needs early attention is the excessive grazing by an animal population out of proportion to what the country can bear without deterioration; and in this connection we suggest that means be devised for reducing their number by having a more limited and better stock.

*Note:* A further recommendation of this sub-committee to the effect that "feeding grounds must also be restricted, and the growth of fodder crops and the practice of stall feeding encouraged", should be considered along with the Reports of Animal Husbandry and Soil Conservation Sub-Committees.

7. With the increase in the human and the animal populations, another problem, viz., that of soil erosion, has assumed enormous proportions, and we suggest the provision of wind-brakes, construction of field embankments and contour trenching as protection against onslaughts from erosion. The appalling waste of valuable top-soil is one of the biggest problems confronting the country.

*Note:* This subject must be further considered with the report of the Soil Conservation Sub-Committee.

8. We have already suggested "the systematic undertaking of research and investigation to determine the extent and availability of the ground-water supplies, and the relation between their use and depletion." We desire to lay emphasis on this, as the lowering of the water table in certain areas is leading to a gradual increase in the dryness of the ground.

9. To concentrate on flood problems, we consider that a Flood Branch be attached to the Irrigation Department

and a Soil Conservation Service be started in the Department of Agriculture.

*Note:* Their administrative arrangements will, however, have to be co-ordinated with those recommended by the Soil Conservation Sub-Committee.

10. We regard storage of waters, on an extensive scale, as the backbone of successful flood operations, and we are confident that this will be found to be generally practicable, and that on many rivers it can be achieved at a reasonable cost.

11. To enable River Training Works to be carried out effectively, we suggest :—

- (a) that accurate contour surveys be made of the areas liable to floods;
- (b) that hydrological data be amplified and kept up-to-date;
- (c) that flood recorders be installed at key points whereby the variation of the surface slope could be recorded automatically;
- (d) that an intensive study be made of each problem in that basin;
- (e) that a record be maintained of the improvement or the deterioration of the rivers and their branches;
- (f) that early steps be taken towards the clearing up of the water rights between the States interested.

12. We recommend that

- (a) a Department of Hydrographic Survey be established;
- (b) the Meteorological Department should have a section on Hydrology attached to it, and the service of flood forecasting and warning should be taken up as a matter of paramount importance.

13. The problem of River Training involves many highly complex engineering questions, and, in many phases of it, advance will best be made by research. We, therefore,



recommend the establishment of one or two fully equipped Hydro-Technic Research Institutes, as well as a number of local laboratories dealing with local problems.

14. In the undertaking of river training works, harmonious action between those interested in the waters is essential so that there may be no misdirection or dissipation of effort. As problems of governmental relations arise in negotiating agreements for the execution of the works, in apportioning costs, etc., river training must be regarded as a federal subject and not left to individual States. The Federal Government should also participate in the appropriations needed for flood protection. These are as essential to the general welfare as appropriations for famine relief, and they are, therefore, just as necessary for the State to undertake.

15. To deal with the problems in each major river basin, more especially those subject to frequent floods, we consider it necessary to have a Statutory Authority on the lines of the Tennessee Valley Authority in the U.S.A.

*Note:* This would especially apply to the Ganges and Indus, and possibly to the Mahanadi, rivers.

## SOIL CONSERVATION AND AFFORESTATION SUB-COMMITTEE

(I/3)

The Final Report of the Sub-Committee on Soil Conservation and Afforestation was, in the unavoidable absence of the Chairman of the Sub-Committee, Prof. J. N. Mukherjee, presented by Prof. S. P. Agharkar, Secretary of the Sub-Committee on the 22nd June. Discussion continued on the 23rd and 24th June, and the following resolutions were passed.

1. Soils and Forests constitute a national heritage. On their successful conservation depend the present and the future of the nation. The State must, therefore, step in and accept responsibility for their conservation.

2. The problems of conservation of soils and forests must be treated as a whole. For this purpose, the system of land utilisation as it obtains at present requires the closest investigation. A land utilisation survey should be conducted by a body of experts, and land utilisation maps prepared on the basis of the information gathered. The position should be reviewed every ten years with a view to watch and regulate where necessary the trend of changes in land utilisation.

3. Official statistics show that out of about 827 million acres of the land area, 173 million acres are "cultivable waste, other than fallow," 61 millions as "current fallow," and 183 millions as "not available for cultivation." One of the most important of the problems which should be tackled by the surveys proposed above and the Land Development Board (mentioned below) is to determine:

- (a) the area actually available for utilisation, under the head "cultivable waste other than fallow" and "current fallow";
- (b) the conditions under which it could be utilised;
- and (c) the causes why so large a proportion is classified as "cultivable waste, other than fallow."

4. The information regarding land utilisation, for example, that is given in "The Agricultural Statistics of India", though useful for some purposes, is not of much help for Planning. The collection of necessary and adequate statistical data should, therefore, be the first item in the programme of Soil Conservation.

5. For the purposes of co-ordination and working out of programmes of conservation, a statutory organisation, to be called the Land Development Board, should be established both at the Centre, in the Provinces and States. The Provincial and State organisations should look after the local aspects and the organisation at the Centre should take up matters of interest to more than one province. This will serve the purpose of co-ordinating all efforts for conservation of soils and forests and enable the problems to be visualised and grappled as a whole.

6. The Central Land Development Board should deal with:

- (a) Soil Conservation including soil surveys, soil maps, soil fertility and land reclamation;
- (b) Anti-erosion measures;
- (c) Afforestation, reafforestation and improvement of existing forests; and
- (d) Land utilisation and co-ordination.

Other connected subjects, such as, irrigation and drainage, crop production, grass lands and pastures, industrial utilisation of agricultural and forest produce, and marketing of produce from the land, should be dealt with in consultation and co-operation with corresponding organisations.

Among the functions of this Board will be:

- (i) Preparation of soil maps of India after necessary surveys;
- (ii) Correlation of results of manurial and varietal trials in selected areas with types of soils, agricultural practice, and land reclamation;
- (iii) A complete erosion survey.

7. The whole area in a Province or a State should be divided into physiographic units, each having a co-ordinated programme of soil conservation suited for its special needs. The programme to be followed should be based on thorough investigation and research in typical localities.

8. There should be a Central Institute for the study of soil problems, and especially those of erosion.

9. There should be provision for a fully equipped research station in each of the different soil areas for soil and silvi-cultural research and developmental utilisation.

10. Adequate facilities should be provided for training in forestry and agriculture in the universities and technical institutes, especially with a view to making the results available to the public.

11. One of the most striking features of the present utilisation of the total available area is the small propor-

tion devoted to village or minor forests, grasses, legumes, and other soil-conserving crops, pastures, fruit and other trees, to meet the needs of the rural communities for food, fodder, fuel, timber, etc. A policy of well-distributed afforestation, especially with reference to village or minor forests, should be pursued by the State, in particular, with regard to those lands which have been thrown out of cultivation or which are at present regarded as culturable waste and can be reclaimed.

12. *Soil Erosion*:—

- (i) Shifting cultivation must be controlled or eliminated, as also breaking of virgin forest land. Contour ridging, terracing and levelling of fields and other measures required for the control of erosion should be encouraged by means of remission of land revenue, education and propaganda.
- (ii) Co-operative activities should be enlarged to include land reclamation, village afforestation and forest management.
- (iii) Afforestation work should be extended in the plains with a view to provide—(a) shelter belts, (b) fodder trees, (c) hedgerow timber, and (d) fuel supply.

13. *Reclamation*: Vast stretches of saline and alkaline soils, sand deposits, arid and semi-arid soils, swamps and other types of water logged soils, ravines and soils afflicted by defects not covered by the above, are known to exist in the country. It is necessary in the first place to provisionally classify these soils according to their more obvious characteristics and to obtain a broad idea of their extent of occurrence. This should form part of the survey programme. Projects of reclamation should be based on careful research in which all scientific aspects should be taken into consideration.

14. *Soil Moisture*: Improvements in agriculture and soils should be made through the regulation of water-supply, conservation of soil moisture, and drainage, and

all necessary information for this should be gathered through the surveys contemplated. The extent and causes of water logging and remedial measures should be studied in detail.

15. *Soil Fertility*: Agriculture should be so planned as to maintain soil fertility at its optimum level. The suggestions made by the Sub-Committee in this behalf deserve consideration, more particularly those dealing with the conservation of organic matter and the cheapening of fertilisers.

16. *Forests*: Forests must be preserved as a national heritage, and Forestry should be judged by the long-term financial results rather than the immediate surplus.

17. The following measures are especially recommended for protecting and improving the forest wealth of the country:—

- (i) In Provinces or States where there is no special “working plans branch” such a branch should be established, as such working plans are the essence of forest management.
- (ii) Contour of grazing, control of fire, contour trenching, and gully plugging.

The general position in privately-owned forests is unsatisfactory. Such forests should, therefore, be acquired by the State or strictly controlled by the State in the public interest.

18. Forests should be developed and worked with a view to produce the raw materials for the following, among other, industries :

- (1) Timber, particularly teak.
- (2) Paper, including newsprint, packing and wrapping papers, ‘kraft’ papers, strawboards.
- (3) Insulation boards and similar other materials.
- (4) Rayon.
- (5) Plywood and veneers.
- (6) Matches and pencils.
- (7) Machine and tool parts made of wood.

- (8) Lac for gramophone records, electrical insulation, plastics.
- (9) Resins and varnishes.
- (10) Essential oils.
- (11) Tanning materials.
- (12) Medicinal plants.
- (13) Wood and charcoal to produce gas for internal combustion engines.
- (14) Dyes.

19. Forest cottage industries should be encouraged and the possibilities for these should be investigated. (e.g. ropemaking, baskets, wicker-work, toys, etc.).

20. *Capacity of forest to furnish employment*: The census returns of 1931 show that directly or indirectly the forests offer employment to about 2,000,000 people in British India alone. With more efficient utilisation of forest resources it should be possible to find employment for a much larger number.

21. *Wild Life Sanctuaries*: This Committee considers that the organised large-scale hunts, with the help of hundreds of beaters, are not only inhuman, but are leading to the extinction of valuable wild life in the jungles and should be disallowed. For the protection and preservation of wild life in the jungles, national parks and sanctuaries should be established in various parts of the country.

22. *Communications*: Out of the total area of 125,000 sq. miles of State forests, 54,000 sq. miles, that is 43 per cent. are either inaccessible or profitless. It is urgently necessary to provide suitable means of communications, rail and ropeways, roads, waterways and paths, as otherwise fuller development of our forest resources will not be possible. Freight rates on forest produce are generally too high and should be reduced.

23. *Fires*. Effective measures should be taken to minimise damage from forest fires, and for this purpose a Fire Protection Section of the Forest Department is recommended.

TRANSPORT SERVICES SUB-COMMITTEE  
(V/1)

The Interim Report of the Transport Services Sub-Committee was, in the unavoidable absence of Dr. D. R. Gadgil, Chairman of the Sub-Committee, presented by Dr. F. P. Antia, Secretary of the Sub-Committee on the 23rd June 1940. Discussion concluded the same day, and the following resolutions were passed:

1. The transport facilities of various kinds available in this country compare unfavourably with the corresponding facilities in modern industrialised communities, with due regard to their area, population, and productive efficiency.

2. Considering each of these forms of transport services in India, though in general the railways may be said to meet the present traffic demands upon them, there is room for internal economies in the working of the railways, and better adjustment of the available traffic suitable for Planned Economy.

3. Under Planned Economy both these requirements of the railway service will have to be examined before any programme of railway expansion can be considered. The Planning Authority will have to distribute the available traffic, so that the fullest utilisation is made of the existing track, rolling stock, terminal facilities, and ancillary services of the railways.

4. Assuming that Planned Economy results in an increase of the total volume of goods and passengers having to be moved by railway, it will be a part of the functions of the executive authority charged with carrying out the plan, to determine how this extra traffic in goods and passengers should be apportioned as between the railways and other means of transport.

5. As regards the roads, the present mileage of all motorable roads, metalled and unmetalled, compares unfavourably with the corresponding facilities in modern in-



dustrialised countries. In view of the relative economy of road transport for comparatively small scale production, and short hauls,—both characteristics of Indian economy today,—the Planning Authority will have to examine the possibility of developing the road service as an alternative or supplementary, to the railway carriage.

6. Roads, to be useful for efficient transport service as an integral part of the planned programme, will have to be considered, not only as national highways, but provincial as well as local means of transport and communication. One of the most considerable handicaps of the existing economy in India is the lack of cheap and adequate transport service in rural areas, which, it is considered, is likely to be provided by a better development and use of the roads as between the villages as also those connecting the villages with markets. The National Planning Authority must, accordingly, devise means to provide this form of transport in every region considered to be the unit for this purpose, in the planned programme.

7. Another handicap for an adequate development of road as well as railway services is the absence of the necessary manufacturing industries for the production of locomotives, automobiles, wagons and coaches, their parts and accessories, within the country. The Planning Authority must attend to the establishment as soon as possible of the necessary industries in this regard.

8. Apportionment of the traffic between roads, railways, waterways, inland and coastal, and airways will have to be determined by the National Planning Authority with due regard to the interests of the producers and the consumers, in each case, as also to the cost of carriage involved. This means that each of these forms of transport has its appropriate field of service, which, though not exclusive, may yet be regarded as its proper sphere within which it may render the best service and produce the utmost economy.

9. Facilities for inland waterways, in the shape of perennial rivers and navigation canals based upon them,



though abundant in some part of the country, have not been utilised as fully as they might have been, mainly because of the competition of the railways. This competition went on unchecked ever since the Railways came into being because of the financial stake of the State in the commercial success of the Railways. It is necessary that these facilities for inland waterways should be fully developed.

10. The volume of traffic, both in goods and passengers, carried by coastal ships in Indian coastal waters, is very considerable, both in value and in quantity. But the Indian share in carrying this traffic is comparatively insignificant, and of very recent date, owing to the handicaps placed by the foreign vested interests in this sphere. All coastal traffic must be reserved for national shipping.

11. India has a very considerable volume of foreign seaborne trade, passenger traffic and mails. An Indian National Mercantile Marine is, therefore, urgently needed and should be developed. A modern ship-building industry, along with its auxiliary industries, should be established as early as possible. India should be self-sufficient in regard to all her shipping requirements and should not depend on foreign shipping services.

The National Planning Committee was of opinion that the Transport Services Sub-Committee should consider, for the purposes of their final report,

- (i) The question of the transport services from the point of view not merely of economic return but also of aiding in the task of national development and social well-being of the community.
- (ii) The organisation for the Central control and co-ordination of the transport services.
- (iii) Animal transport, especially for purposes of rural communications, and the development of cheap village roads.
- (iv) The use of trolley buses where electric power is available.

## PUBLIC FINANCE SUB-COMMITTEE (IV/3)

The Interim Report of the Public Finance Sub-Committee was presented by the Chairman of the Sub-Committee, Prof. K. T. Shah on the 24th June 1940. There was a minute of dissent by Mr. A. D. Shroff, which was read out by the Chairman, National Planning Committee. Discussion continued on the 25th June.

The Chairman of the Public Finance Sub-Committee informed the N.P.C. that the Report was agreed to by five members of the sub-committee, namely, Dr. D. R. Gadgil, Prof. C. N. Vakil, Prof. Gyan Chand, Dr. J. P. Niyogi and himself, who were all present at the meetings of the Sub-Committee at Allahabad. Messrs. Qureshi, Thomas and Venkatarangaiya had not been present, and they had not, so far, expressed their approval or disapproval.

He then explained the main features of the Report. In answer to questions, he stated that it was not possible for his Sub-Committee to give estimates of income and expenditure under this plan, as this would depend on the norms laid down by the N.P.C. and the general policy of the State. If these norms were laid down, then an attempt could be made to give these estimates. Prof. K. T. Shah was requested to prepare a note, on his own behalf, giving these estimates on the basis of the decisions of the National Planning Committee so far taken.

The following resolutions were then adopted:

### I *Expenditure:*

1 In the present system of Public Expenditure there is considerable room for retrenchment by means of:

- (a) Reconsideration of the governing policy regarding nature and object, strength and equipment of certain services like Defence or charge in connection with public debt;
- (b) Reduction in the scales of rates of pay, pensions and allowances to Public Servants, in all

departments, in the higher ranks. In conformity with the basic principle of the Plan, and in fairness to the large army of the lower paid public servants, a minimum living wage will also have to be fixed in all departments and ranks of the Public Service;

- (c) Revision of the basis for fixing the strength and requirements of Public Service and in improving its efficiency in each department, and for leave rules, particularly in the higher services.

2. All savings effected by revision, reduction or retrenchment are likely to be only a fraction of the expenditure needed for:

- (a) Extending and widening the scope, direction, and volume of existing Public Services, including National Defence;
- (b) Increase in the number, variety, and intensity of public activities, e.g., Education;
- (c) Improvement of the basic minimum pay and conditions of service of the lower subordinate staffs.

3. For extending, widening, or increasing the scope, volume, or number of public services or activities, definite norms will have to be laid down by the Planning Authorities, and finance would have to be provided in accordance with the same, with due regard to economy and efficiency.

4. In public utility services, though commercial principles may not be applicable in all cases, thorough-going check and control by way of efficient audit is indispensable in regard to all items of expenditure and output of work and value received.

5. Capital investment in utilities, services, or agricultural, industrial or commercial enterprise, must be kept apart from those of recurrent expenditure.

6. Against capital investment made out of borrowed funds, adequate provision must be made from the start for a complete liquidation of the obligation incurred, includ-

ing interest, and the replacement or renewal, without incurring fresh obligations on that account, of the plant, machinery, stock or buildings requiring such investment, within a definite period. Adequate provision should also be made, by way of depreciation, for replacement or renewal of the plant, machinery or buildings, required for such undertakings.

7. No interference should be allowed with the provision made under the preceding head, and no transfer or borrowing permitted from this account to meet current losses or deficit in the ordinary budget.

8. Exception may, however, be made under specific rules to allow borrowings from these Reserve, Replacement sinking funds, for capital investment in the extension or expansion of the same utility, service or enterprise, or for similar purposes in cognate utility, enterprise, or service, provided that full provision is made for the repayment and liquidation in full of such loans within a definite predetermined period.

9. When Provincial Governments delegate to the Local Authorities under them functions and assign sources of revenue, they shall do so under proper financial and administrative control.

## II. *Revenue:*

10. The aggregate volume of Public Expenditure—national, provincial, and local—collectively as well as severally,—would have to be very considerably increased in order to meet all the requirements of the Plan. Revenues, would have, therefore, to be increased proportionately.

11. For the effective execution of a comprehensive Plan, it would be necessary to increase the contribution from the several forms of Public Enterprise, including a thorough exploitation of the Public domain in lands, mines, forests, and the like, so as increasingly to supplement the revenues derived from taxation, direct or indirect.

12. The production and supply of all utilities and services, which are of a national as well as a monopolistic

character, should be carried on by the public authorities; and the net surplus, if any, derived therefrom be appropriated as current revenue. The interest of consumers of each service or utility should be duly taken into account, particularly by the monopolistic undertakings.

*Note:* Mr. Ambalal Sarabhai desired it to be noted that while he agreed with the first part of this resolution, he was not agreeable to the surplus being appropriated as current revenue. This should not be the objective in view.

13. In regard to public utilities and services, the ideal of service to the largest number at the lowest cost, should be kept in view. Nevertheless, because of the economies possible under large-scale production and efficient management in all-round co-ordination, a net surplus or profit will probably accrue, and this should go to the public revenues.

*Note:* Mr. Ambalal Sarabhai, though he was in favour of nationalisation, doubts if it would be more economical or more efficient.

The sub-committee had recommended that industries concerned with the provision of the main plant, machinery fittings and basic raw materials for the production and supply of nationalised utilities and services should be conducted as collective national enterprises. Further, that all key industries ('mother' as well as 'vital' industries) should be progressively nationalised and administered by a statutory corporation created for the purpose. Private enterprises, so acquired, should be paid just and proper compensation.

The N.P.C. had so far decided that key industries should be owned or controlled by the State, the control being strict in the case of key industries. The possibility of such industries not being owned by the State but controlled by it has thus not been ruled out. This question had been left for future consideration when more data were placed before the Committee for any further decision that it might take.

It was pointed out on behalf of the Public Finance Sub-Committee, that apart from other considerations,

questions of finance and the necessity for increasing revenue for the nation-building activities of the State made it essential for their being merely controlled should be ruled out.

The N.P.C. was of opinion that as this raised a question of fundamental principle, and the argument of revenue had not been previously placed before it, the whole question should be considered by it at a later stage when basic questions of policy were considered.

The Public Finance Sub-Committee had further recommended that in allocating items of public expenditure, as far as possible all items of nation-building, service-rendering, and wealth-producing character should be entrusted to the Provincial Governments and sources of revenue, adequate for these purposes, assigned to them. Incomes from direct taxation on income, excess profits, and inheritance taxes, it was recommended, should also be assigned to the Provincial Governments.

The National Planning Committee referred back this last recommendation to the Sub-Committee for reconsideration and fuller examination.

14. For the full consummation of the complete Plan, direct taxes on Incomes, or Excess Profits, or on property like Estate Duties, Death Duties, Land Increment Values, should be developed by increase in rates on a steeply graduated scale. In levying taxation, the principle of redistribution of the burden of taxation in accordance with the taxable capacity should be given effect to.

*Note:* It was proposed to add the principle of differentiation between earned and unearned incomes also. Pending a clearer definition of unearned incomes, this addition was postponed.

15. In a comprehensive Plan, Land Revenue should be charged according to the principle governing Income-Tax with proper safeguards for exempting a basic minimum, and providing a graduated scale of taxation. It must be a wholly provincial source of revenue.

16. Taxes on house property, or urban land, on trades and professions, and the revenue from municipal and local licence duty, should ordinarily be assigned to local authorities.

17. All customs duties should be assigned to the Central Government exclusively. The question of excise duties requires further consideration, and was referred back to the sub-committee. If excise duties are to be levied, this should be done only by the Central Government.

*Note:* Mr. Ambalal Sarabhai wanted it to be noted that, in his opinion, Excise Duties on essentials of life are undesirable.

*Salt Duty:* As the Sub-Committee had made no recommendation about, or reference to, the Salt Duty, the National Planning Committee decided to ask them to consider this question from the economic as well as other aspects, and to report.

18. Adequate provision should be made for relief from double taxation within the country itself, as between units and units, and a unit and the centre.

19. *Credit:* Adequate credit facilities must be placed at the disposal of every governing authority—local or provincial—to facilitate their undertaking productive enterprise left in their charge with proper regulations for the safeguard of public credit. In the case of local bodies an adequate control must be exercised by the Provincial Government. A National Investment Board must be established, through which alone, public borrowing for such purposes as may be indicated in the Plan may be undertaken. This Board must work in close co-operation with the Central Banking Authority.

*Note:* Mr. Ambalal Sarabhai, Mr. Advani, and Prof. R. K. Mukerjee were of opinion that the Central Banking Authority should itself do this work directly.

20. *Accounts:* Independent Audit for the accounts of all governmental bodies and statutory corporations should be provided, in addition to local and internal audit.

## COMMUNICATION SERVICES SUB-COMMITTEE (V/2)

The Report of the Communication Services Sub-Committee was presented by Sir Rahimtulla Chinoy, Chairman of the Sub-Committee on the 25th June 1940. Dr. S. K. Mitra, Secretary of the Sub-Committee gave a brief account of the Report. Discussion concluded the same day.

The following resolutions were adopted:

1. *Policy*: Communications and broadcasting as public utility services affecting the well-being of the community and are at present under State Control. They should be public monopolies, and should be run on commercial lines, and developed intensively, subject to the paramount consideration that they are social services, and as such powerful agents in the task of national development.

2. *Telegraphs*: In view of the fact that the Telegraph is the cheapest means of quick communication and is indispensable for the rural population and also because development of industries and internal trade is bound to be followed by a demand for increased facilities for telegraphs, we propose that, to make the service more accessible, the number of Telegraph Offices be increased from the existing 3 per 1,00,000 persons to 5 per 1,00,000 in course of next ten years.

3. *Telephones*:

(a) In view of the expected developments of electrical power schemes, growth of industries, and expansion of trade and commerce, steps be taken to increase the number of telephones from 1 per 4,000 to 1 per 1,500 persons.

(b) All future installations of local telephone exchanges should generally be of the automatic type in preference to the manual type.

4. *Radio Communications*:

(a) Considering that radio direction finding and associated services specially in connection with



aviation have been a source of profit in recent years and that the demand for this is bound to increase owing to the anticipated development in aviation and shipping services, an increase of Radio Stations from 34 to 50 should take place in the course of the next ten years.

- (b) The existing departmental commercial radio telegraph channels though in demand by the public are not equipped to deal with large traffic, and in the near future provision will have to be made for new radio telegraph channels, for instance, between India and Malay States, India and the near East, India and African countries. The total number of commercial radio telegraph channels should be increased to at least three times the present number.
  - (c) It will be necessary to open a few short-wave and ultra-short wave radio telephone links, the former for connecting up Indian subscribers with those in nearby countries, and the latter for working in association with the trunk system of the country across large river-crossings, marshy regions, etc.
5. (i) A section for survey and development of Electrical Communication Service should be established, whose function would be to carry out a detailed survey of the needs of electrical communication of the various areas concerned and also to carry on publicity and propaganda work for creating demand.
- (ii) The work of this section in the different administrative divisions shall be co-ordinated by a Central Organisation at the head-quarters of the Post and Telegraph Department.
6. *Postal Service:*
- (a) It is anticipated that as a result of National Planning there will be substantial increase of literacy and industrial and commercial enter-

prises, and that there will be increased demand for postal facilities. It is, therefore, proposed that the number of Post Offices and Letter Boxes be increased approximately to double their present number, the increase being proportionately more in rural areas.

- (b) In view of the fact that the Post Office can be an effective agency for spreading information about health, agriculture, and current events, and thus contribute to rural uplift, the administrative machinery should be so strengthened as to enable the Post Office to come into closer contact with the public and meet an ever widening circle of their needs.

7. *Radio Broadcasting:* ✓

- (a) A fuller and more intensive use of broadcasting should be made for dissemination of news and useful information, education generally and more particularly adult education, publicity for social reform and progressive measures, and entertainment.
- (b) In order to make the Broadcasting Service more effective, it is necessary that the number of transmitters be considerably increased and steps be taken to increase largely the number of receivers. The Sub-Committee recommends that, for this purpose, the number of medium-wave transmitters be increased to 31 consisting of 10 to 20 K.W. and 21 of 5 K.W. aerial power.
- (c) The number of centres for relaying programmes should be increased from 8 to 20.
- (d) In view of the low average earnings of the people, steps should be taken to bring down the price of receivers to within the reach of much larger numbers. A drive should be made to increase the number of sets from 3 per 10,000 to at least 3 per 1,000 in the course of the next ten years.

- (e) Communication receivers should be installed in villages for the benefit of the rural population.
- (f) The suggestion that the Central Broadcasting Organisation should introduce a system of providing receiver sets on hire is worthy of consideration.
- (g) There should be a statutory corporation for radio broadcasting, and an advisory council, consisting of representatives of the public and experts, should be attached to it. In this connection the scheme of organisation given in the Report is deserving of consideration.

8. *Research*: A central research organisation for the Electrical Communication Service and Radio Broadcasting Service should be established under the Department of Communications of the Central Government.

9. *Manufacture*: We consider that it is absolutely necessary that the materials and components needed for the electrical communication service should be manufactured in India. For this purpose investigations should be undertaken by Government to find out how far the materials available in India are suitable. The existing workshops at Alipore and Calcutta should be utilised fully for this production, and such additional steps should be taken as may be considered necessary.

10. *Training Facilities*: In order to provide the requisite training facilities for Indian students as well as Government employees selected for the purpose, steps should be taken to ensure that overseas as well as Indian firms, with whom Government orders for stores are placed, shall afford all such facilities in their factories, workshops and laboratories. This may be secured by a specific clause in such contracts. Arrangements should also be made to provide suitable employment for such trained personnel after they have finished their training.

11. The N. P. C. agrees with the Sub-Committee that the financial policy in regard to these services should be a liberal one and not based exclusively on a calculation of

profit and loss. The social aspect of these services must always be borne in mind. In this connection the financial recommendations of the Sub-Committee are deserving of consideration.

[It was pointed out that, in the terms of reference of the Communication Services Sub-Committee, Tourist Traffic, etc., had also been included, but the Sub-Committee had felt that this did not fall within their province. The N. P. C. agreed to this. It was felt, however, that the subject was an important one and should be dealt with separately. Mr. Ambalal Sarabhai was asked to draft a resolution on it.]

## TRADE SUB-COMMITTEE

### IV/1

The Trade Sub-Committee's Reports had been put down on the agenda for the meeting of the National Planning Committee on the 26th June 1940. But it was stated that the Report dealing with Internal Trade, though ready, had not so far been duplicated and circulated among the members. Certain draft resolutions dealing with Internal Trade were, however, ready. It was decided, however, that the whole subject, which was of great importance, should be considered fully at a later stage, when the full Report was complete and had been circulated.

At the request of the National Planning Committee however, Shri Kasturbhai Lalbhai, Chairman of the Sub-Committee, gave a brief account of the Report. He pointed out how internal trade was of far greater importance than external trade.

The National Planning Committee desired to emphasise the directions previously issued in the Note for the Guidance of Sub-Committees (paragraphs 9 and 19 Handbook No. 1, pp. 79 and 81). Paragraph 19 should apply not only to industrial development but to other development also. The following resolutions were also passed:

1. i. Owing to the size of the country and the population, the geographical distribution of various crops and minerals, the internal trade of our

country is even today far larger than our foreign trade and will be more so in future.

- ii. Owing to this fact, it will play a more vital part in our economic life and must be planned and fostered to contribute to our national well-being.
2. i. An essential step in such a direction is the realisation of the fact that our provinces are economically inter-dependent, and can advance only together and not against each other.
- ii. In framing any measures of local economic development, the broader background of the necessity of a corresponding well being in other parts of the country should always be kept in mind.
3. An immediate attempt should be made to collect and collate the statistics relating to the internal trade.

#### MINING AND METALLURGY SUB-COMMITTEE

(II|4)

The Report of the Mining and Metallurgy Sub-Committee was presented by Dr. V. S. Dubey, Secretary of the Sub-Committee, on the 26th June 1940 in the unavoidable absence of its Chairman, Prof. D. N. Wadia. Discussion continued on the 29th June.

The following resolutions were passed:

1. The mineral wealth of the country belongs to the community collectively. The exploitation of minerals and development of mining and mineral industries should be reserved exclusively to be carried on as public enterprise.
2. The mineral wealth is of vital importance to the nation. Most of the material imported at present, like metals, machinery, etc., is manufactured out of mineral raw materials. But sufficient attention has not been so far given to the development of this mineral wealth.

*Non-Metals:*

3. (a) The country is endowed in regard to the majority of non-metallic minerals, but most of the industries requiring these raw materials have not been developed. Most of the articles made from these minerals, and which are imported at present from abroad, can be manufactured in India.
- (b) The only important raw materials imported at present are salt and sulphur. Salt can be easily prepared in any amount in the country. Every effort should be made to find out if there are sulphur deposits in India. Attempts should also be made to manufacture sulphur or sulphuric acid directly out of gypsum, pyrites or other raw materials available in India.
- (c) Scrap mica, which is being wasted at present, can be utilised in various ways, and attempts should be made to do so.

4. Raw materials for nitrogen fertilisers, as well as to some extent for other types of fertilisers, are available in India. The synthetic fertiliser industry should therefore be started as recommended in resolution 3 (Red Book II, page 41) dealing with Chemical Industries.

*Metals:*

5. India has large deposits of iron ore, manganese, chrome bauxite and other metals. Except in the case of iron and steel, these resources have not been developed. These industries are essential for the general industrialisation of the country, as well as for defence.

6. Other metals, except copper and gold to some extent, are not being produced in India. Both copper and gold are being exploited by non-Indian concerns. An organised search for deposits of all such metals, which are so far lacking in India, should be made.

7. Restriction should be imposed on the export of ores of national importance, such as manganese, mica, il-

menite, etc. A definite policy should be laid down in respect of minerals of which India has a virtual monopoly, or of which she has a supply in excess of her requirements.

#### *Fuels:*

In regard to fuels the National Planning Committee has already passed resolutions when considering the report of the Power and Fuel Sub-Committee (Red Book II, pp. 65, 67 No. 2 (d) and 8).

#### *Survey and Supervision:*

8. The Central Geological Survey Department should carry out a thorough and complete survey of the mineral resources of India in all parts of the country, and should, for this purpose, be extended and adequately strengthened with expert staff.

9. The exploitation of minerals should be under the supervision of a Central Council for mining and mineral industry.

#### *Waste:*

10. The question of waste in the methods of mining and recovery of materials is very important in India. A detailed study of waste in various kinds of mining should be made by an expert committee and steps taken for its avoidance. Wherever possible this waste should be stopped immediately.

11. In view of the fundamental principle of the National Planning Committee's policy that all mineral wealth in this country belongs to the community collectively, and is to be exploited and developed as public enterprise, the problem of taxing, mining and metallurgical industries would not arise when the Plan we envisage comes into effect. Pending, however, the necessary readjustments as between that policy being given effect to and the present position of concessionaires, taxation may have to be imposed on the concession, the production, the marketing and the profits of such industry.

*Rules:*

12. The existing rules and regulations regarding mining and prospecting are highly unsatisfactory, and should be revised, especially in regard to inspection of mining plant and working practices, so as to ensure the safety of workers, adequacy of plant and efficiency of production. Indian nationals should be trained in sufficient numbers for all types of work, so as to be able to replace the foreign personnel now employed, within a short time.

*Freight:* The National Planning Committee has already passed a resolution (vide Red Book II, p. 45, No. 21) regarding freight charges on railways, which would apply to freight on such heavy raw materials as minerals. In order, however, to give a comprehensive consideration to the question of transport charges in general, the entire problem be referred to the Transport Sub-Committee for closer examination and report on the principles which should govern it.

*Tariff:* The suggestions that the Sub-Committee made in regard to tariff on minerals should be considered when the general tariff policy is considered.

*Minerals used for Defence:* Under clause (c) of this Sub-Committee's terms of reference, a classification was desired of mineral resources essential for national defence and those that were non-essential. The Sub-Committee is requested to deal with this reference in their Final Report.

## GENERAL EDUCATION SUB-COMMITTEE

(VII|1)

The Interim Report of the General Education Sub-Committee was presented by Shri E. W. Aryanayakam, Secretary of the Sub-Committee, on the 27th June, 1940 in the unavoidable absence of its Chairman, Prof. Sir S. Radhakrishnan. Shri Aryanayakam gave a brief account of the Report, and of the Basic Scheme of Education. It was pointed out that the sections dealing with Interme-



diate and University education had not so far been dealt with. Discussion continued on the 28th June.

There was considerable discussion about the nursery stage of education and the desirability of making provision for it from the earliest age, as also about compulsion being introduced even for the pre-Basic stage. Shri Aryanayakam made it clear that his Committee would welcome the extension of nursery schools, provided that they were entirely optional. He was opposed to any compulsion before seven. The real difficulty was the lack of resources in finance and qualified teachers. Special provision might be made for the small children and women working in factories.

The following resolutions were passed:

*Pre-Basic Education:*

1. The Committee is of opinion that the State should make suitable provision for the training of the children of the community from the earliest stage. It realises, however, that such provision on an adequate scale is exceedingly difficult in the near future owing to lack of trained teachers and paucity of funds and other resources. Nevertheless the Committee desires to lay stress on the importance of the pre-Basic stage of education, and makes the recommendations given below to be given effect to progressively during the first ten years. The Committee would welcome an application of this pre-Basic stage for children of under five years of age wherever and whenever circumstances permit.

2. Pre-Basic education should be optional. Compulsion should be introduced at the initial age of basic education.

3. Pre-Basic education should cover a period of two years prior to the period of basic education.

4. The fundamental principles guiding the scheme of pre-basic education should be that every child between the age of five and seven should, wherever necessary and whenever adequate arrangements cannot be made at home,

have full facilities for a free and all-round development, both physical and mental, in pre-basic schools.

*Note:* The age limit of five may be reduced to three wherever considered desirable.

5. The programme of pre-basic education should consist of:

- (a) Meals: Every pre-basic school should make adequate provision for nourishment of school children, during school hours.
- (b) Medical care: The ideal of pre-basic education should be that every child in a pre-basic school should be under the care of a qualified doctor. Teachers may be given elementary medical training. During the transitional period, they may look after the health of the children and treat ordinary ailments with simple remedies.
- (c) Cleanliness: Habits of cleanliness both personal cleanliness and cleanliness of surrounding—should be inculcated.
- (d) The formation of good habits of living and of team work.
- (e) Free Play.
- (f) Facilities for self-expression: Through speech, music, dancing, dramas, hand-work, and art etc.
- (g) Elementary social training.
- (h) Stories, poems and dramas.
- (i) Nature study and care of pet animals.
- (j) Sensory-motor training: Care should, however, be taken not to introduce expensive apparatus for sensory training. As far as possible, this training should be given through objects of nature or simple locally available apparatus.

*Note:* One of the members desired the deletion of 'dancing' from clause (f) above, as the introduction of this subject contemplated a different social and cultural back-ground, to which he could not subscribe.

*Ways and Means of Introducing Pre-Basic Education:*

6. The Committee being of opinion that the necessity for pre-basic schools is most acute in industrial areas, and next in urban areas, recommends that:

i. The managing bodies of industrial establishments, mines and plantations, should be made to provide adequate facilities for the education of the children of pre-basic age of their employees by running pre-basic schools or giving contributions to local bodies or private agencies for running such schools. Such schools should be under the control of the Education Department.

*Note:* In regard to clause i. above, Mr. Ambalal Sarabhai was of opinion that the responsibility and obligation for such pre-basic schools should rest on the local bodies, except in the case of isolated industrial areas.

ii. In urban areas not provided for in No. i., pre-basic schools should be run or aided by local bodies.

iii. Encouragement should be given to the spread of pre-basic education in rural areas through local bodies and voluntary effort.

The Provincial Governments should undertake the responsibility of training teachers of pre-basic education, and should run a few model pre-basic schools.

7. Training of Pre-Basic teachers: The teachers of pre-basic schools should preferably be women. It is desirable that teachers of pre-basic schools should attain a standard equivalent to the high school leaving certificate and be specially trained. Until such teachers are available in large numbers, intelligent women with understanding of children should be selected even if their academic standard is less and should be given special training to equip them as pre-basic teachers. The minimum salary of a trained pre-basic teacher should be Rs. 20 per mensem in the rural areas, with an additional allowance in urban areas.

*Note:* The standard referred to above need not necessarily involve a knowledge of English.

*Supervision:*

8. As pre-basic schools will need a specially trained and sympathetic supervising staff, it is recommended that supervisors of pre-basic education be trained along with the teachers in the training centres of Basic Schools.

*Basic Education:*

9. Basic Education shall be free, compulsory and universal for every child between the ages of seven and fourteen.

10. *Age Range of Basic Education:* The age range of basic education should be seven to fourteen. In areas where pre-Basic schools do not exist, Basic Schools may be utilised, wherever possible, for pre-Basic education from six to seven, but there should be no compulsion for this. In no case would it be desirable to lower the age limit below fourteen.

*Note:* Shri Aryanayakam emphasised that it was the essence of the Basic Scheme that the basic stage should last till the age of fourteen.

11. *Specialisation:* At what stage should the children be allowed to change from basic schools to intermediate schools for specialised studies?

After completing five years of the basic course, children should be allowed option to change from basic schools to intermediate schools. Poverty should not prevent children from entering these intermediate schools. Machinery should be set up by the State to select children from the basic schools at the age of either twelve or fourteen and give them scholarships to enable them to continue their studies in these higher schools.

*Note:* While the Committee accepted these age limits, it felt that a certain elasticity might be allowed.

12. *Languages:* The mother tongue of the child shall be the medium of instruction in the basic schools. Hindustani should be taught in grades V, VI and VII as a compulsory second language.

Prof. M. N. Saha proposed that the Latin script should be adopted in India in place of other scripts. There was some discussion. Prof. R. K. Mukerjee and Dr. Mehta supported this proposal; but the other members felt that it was not feasible, at any rate under present circumstances.

13. The knowledge of a foreign language is very necessary for scientific, commercial, cultural and political purposes, and in order to maintain contacts with the thought and developments of the modern world. We think, therefore, that the study of a foreign language is very desirable and should be encouraged, wherever feasible, as an optional subject during the later stages of the Basic curriculum. Classical languages may also be optional subjects wherever feasible. Where English is taught, we recommend that Basic English should be used.

14. *Crafts*: From the point of view of educational development, it is essential that a child's education throughout the first five years of the basic course should centre round a basic craft.

Professors M. N. Saha and R. K. Mukerjee were of opinion that, instead of laying down that the basic course should centre round a basic craft, it should be said that "the basic course should include manual work," use for tools and machines, drawing, gardening, agricultural work, clay-modelling, carpentry, etc."

Shri A. K. Shaha preferred "some basic crafts" instead of "a basic craft."

15. The syllabus prepared by the Zakir Husain Committee should be generally accepted as the tentative syllabus for basic education.

16. *Education of girls*: Basic education should be common for boys and girls and should be carried on in common institutions. Wherever local opinion so desires, provision should be made for women teachers. We are of opinion that women teachers are generally to be preferred in basic education.

The Committee realise that owing to existing social conditions and habits, it may be difficult to introduce co-

education everywhere throughout the basic stage. In giving effect to this recommendation, therefore, public opinion has to be borne in mind, and it may be necessary, to begin with, especially in some urban areas, to provide separate schools for girls in the later stages of basic education, wherever this is feasible.

But the ideal of co-education throughout the basic stage must be kept in view and worked up to.

(One of the members would prefer separate schools for girls after the age of ten. He accepts, however, the above resolution, but wishes to emphasize that the part dealing with public opinion and local sentiment should be leniently interpreted by the educational authority).

17. *Religious Instruction*: State education should take no responsibility for religious instruction. Religious instruction is the concern of the individual, the home, the family and the religious group concerned.

(Note: Shri Ambalal Sarabhai, Prof. M. N. Saha, Shri A. K. Shaha and Shri K. T. Shah were of opinion that religious instruction should be the concern of the individual alone).

18. *Examinations*: There shall be no external examinations in basic education. An administrative check should, however, be maintained on the working of the basic schools.

At the end of the fifth year of basic education there should be a selection of students for transfer to the different courses.

School leaving certificates shall be issued by the heads of the basic schools to students on the completion of the seven years of the basic course. Admission to the intermediate institutions should be decided by the test of the institutions concerned.

It is desirable that uniform all-India standards should be maintained, and that these should be recognised throughout the country.

19. *Supervision*: An efficient and sympathetic supervising staff is essential for the successful working of basic education. Provision should be made for the training or retraining of an adequate supervisory staff to guide and supervise the working of the new experiment in basic schools.

20. *Training of Teachers*: The general education of pupil teachers for admission in basic training schools should be up to the high school leaving certificate or its equivalent. They will undergo special training for teaching in basic schools. There should be ample provision for periodic refresher courses for the teaching and supervisory staff.

To prepare the necessary number of teachers of basic education it will be necessary to reorganise the existing normal schools and establish new training schools in large numbers, the ideal being one training centre for each district and some training colleges for training the teachers of the training schools.

The basic training schools should be of two types—one group training the teachers for the first four grades of the basic course—another group of a higher standard for training teachers of the last three grades of the basic course.

21. *The Location and Transport of the Children of Basic Schools*: Basic schools should be mainly of two types—central schools and feeder schools. Central schools or full seven-grade basic schools, should be established wherever there is a village or a group of villages with a population of 2,000 or more having a minimum of 200 school-going children. Local bodies shall make the necessary arrangements wherever necessary. There shall be a Statutory Board for Basic Education constituted by the Provincial Government to formulate and control policy and supervise these schools.

A feeder school or a basic school of four grades shall be provided wherever there is a minimum of forty school going children within a radius of one mile. Children at-



tending basic schools will not be obliged to walk more than two miles to and back from school.

*Finance:* The question of financing Basic Education is referred to the Public Finance Sub-Committee.

22. *Adult Education:* The National Planning Committee agrees that the need for adult education is imperative and urgent, and all possible steps should be taken to provide it. The programme outlined in the note submitted by the sub-Committee is approved in general.

23. *Employment of Teachers:* The note on the Employment of Teachers was read out. The Committee was in general agreement with this note.

Shri Ambalal Sarabhai pointed out, however, in regard to the proposed Charter to Teachers that, though he agreed with its several items, he was averse to such guarantees on a big scale being given by the State in the form of a formal Charter.

24. *Private Schools:* Private schools for imparting Basic Education may be permitted provided they are free schools, conform to the State policy of education, and are under the control of the State Department of Education. Such schools should aim at carrying out educational experiments, and should avoid exclusiveness and the promotion of a special class consciousness among their students.

25. *Compulsory Labour Service:* The National Planning Committee is of opinion that a system of Compulsory Social or Labour Service should be established, so as to make every young man and woman contribute one year of his or her life, between the ages of 18 and 22, to national disciplined service in such form and place, and under such conditions, as the State may prescribe in that behalf. Such service should be carried on in a disciplined way and in healthful conditions, on works of national utility, including agriculture, industry, public utility service, public works of all kinds and other nation-building activities. Habits of team-work, mutual and co-operative labour, co-ordinated activity, and physical endurance



should be developed. Physical culture should be an essential part of this year's training.

While young men and young women should be treated on terms of perfect equality, specialised service may be provided for women wherever this is considered necessary. No exemption should be allowed from this service, except on certified grounds of physical or mental disability. Under no circumstances should the privilege of buying oneself out of this universal obligation be permitted.

This scheme of Labour or Social Service should be fitted in to the educational system either at the end of the intermediate stage or the University stage.

This scheme should be progressively introduced.

26. *Norms of Physical Fitness*: In order to increase the physical fitness of the community, it is necessary to lay down definite norms of physical fitness for boys and girls at every stage of education. These norms should include weight, height, chest measurement, running a prescribed distance within a prescribed period, jumping a certain height, lifting a certain weight and ability to swim.

27. *National Day*: A day should be fixed as a universal holiday in which all classes and communities, teachers, parents and pupils, should join in common celebration of some event of national significance.

#### LAND POLICY, &c. SUB-COMMITTEE

(I/4)

The Interim Report of the Sub-Committee on Land Policy &c. was presented by the Chairman, Shri K. T. Shah, on the 29th June. Dr. Radhakamal Mukerjee, Secretary of the Sub-Committee was also present. Discussion continued on the 30th June.

It was decided that this report need not be considered in detail at this stage as the matter was being referred back to the Sub-Committee for fuller consideration and report. Meanwhile, certain guiding principles on Land Policy

should be laid down by the N.P.C. in order to enable the sub-committee to base their report on these principles.

The following resolutions were passed:

1. Agricultural land, mines, quarries, rivers and forests are forms of natural wealth, ownership of which must vest absolutely in the people of India collectively.

2. The co-operative principle should be applied to the exploitation of land by developing collective and co-operative farms in order that agriculture may be conducted more scientifically and efficiently, waste avoided, and production increased, and at the same time the habit of mutual co-operation for the benefit of the community developed in place of the individual profit motive.

Collective or co-operative farms should be developed to begin with on 'culturable waste' land which should be acquired, where necessary, by the state immediately. Each such unit should be linked to other like units.

Note: Mr. Ambalal Sarabhai approved of this being done as an experiment.

Prof. R. K. Mukerjee considers that peasant farming in small heritable holdings should not be ruled out, but continued along with both co-operative farming with individual ownership and collective farming with joint ownership and joint distribution of agricultural produce.

One of the members agrees with Mr. Ambalal Sarabhai in this matter and further adds that while individual enterprise should be subordinated to the needs of the community, it should not be eliminated. In this connection he would like to await the results of the experiment.

3. No intermediaries of the type of taluqdars, zamindars, etc. should be recognised in any of these forms of natural wealth after the transition period is over. The rights and title possessed by these classes should be progressively bought out by granting such compensation as may be considered necessary and desirable.

The practice of sub-infeudation and sub-letting of land should not be permitted.

4. The Sub-Committee is requested to consider and report on the forms of collective and co-operative farms, which may be suitable for India which they recommend. Such collective and co-operative farming must be under State supervision and regulation.

Note: (i) The land co-operatives mentioned above should not be construed in a restricted sense as applying to specific functions, such as, marketing, credit or collective purchase of seeds, etc., but include cultivation and all aspects of agriculture.

(ii) During the initial years of the Plan, it is likely that considerable areas may remain outside the collective and co-operative organisations mentioned above. The Sub-Committee should make recommendations in regard to such areas during this transition period.

LIST OF SUB-COMMITTEES WHOSE REPORTS  
HAVE BEEN CONSIDERED TILL THE FOURTH  
SESSIONS BY THE PLANNING COMMITTEE

1. Soil Conservation & Afforestation—Final.
2. Animal Husbandry & Dairying—Final.
3. Horticulture—Final.
4. Power & Fuel—Interim.
5. Mining & Metallurgy—Interim.
6. Engineering Industries including Transport Industries—Final.
7. Labour—Final.
8. Population—Final.
9. Insurance—Interim.
10. Communication Services—Final.
11. National Housing—Final.
12. River Training & Irrigation—Final Parts I & II.
13. Rural Marketing & Finance—Final.
14. Land Policy, Agricultural Labour & Insurance—Interim.
15. Chemicals—Interim.
16. Manufacturing Industries—Interim.
17. Trade—Interim.

18. Public Finance—Interim.
19. Currency & Banking—Interim.
20. Transport Services—Interim.
21. General Education—Interim.
22. National Health—Final.
23. Rural & Cottage Industries in the shape of Draft Resolutions.
24. Woman's Role in Planned Economy—Final.

The following Reports have not yet been considered by the Planning Committee.

1. Crops—Planning & Production;
2. Fisheries;
3. Industries connected with Scientific Instruments;
4. Industrial Finance;
5. Technical Education;

#### RESOLUTIONS ADOPTED BY THE NATIONAL PLANNING COMMITTEE AT THEIR FIFTH SESSIONS IN AUGUST 1940.

##### NATIONAL HEALTH SUB-COMMITTEE

The Interim Report of the Sub-Committee on Public Health was presented by the Chairman, Col. S. S. Sokhey, on the 30th August. Dr. J. S. Nerurkar, Secretary of the Sub-Committee, was also present. Discussion continued on the 31st August, and the following Resolutions were adopted:—

1. For the purpose of raising the standard of public health in the country, and for the prevention of disease, it is essential that dietary standards should be substantially raised and made adequate and better balanced. In this connection, the N. P. C. notes the specific recommendations of the Sub-Committee, and resolves that they be placed before the National Planning Commission.

(Note: The specific recommendations are that the dietary standards laid down by the Technical Commission of the Health Committee of the League of Nations, with

a permissible reduction of 8%, be accepted for India. These provide a basic diet of 2,400 calories for an average adult with suitable additions proportioned to the nature and strain of the work).

2. India should adopt a form of health organisation, in which both curative and preventive functions are suitably integrated, and administered through one agency.

3. Such an integrated system of health organisation can be worked only under State control. It is, therefore, recommended that the preservation and maintenance of the health of the people should be the responsibility of the State.

4. For the proper functioning of such an organisation medical and health research in the widest possible field is essential. This research should therefore, form an important function of a Health organisation; and this should include the application of the scientific method for the investigation of the indigenous and other methods for the maintenance of health, and the prevention and cure of diseases.

5. In view of the paucity of qualified medical men and women in the country, it is necessary to increase rapidly and substantially their number. For this purpose it is necessary to organise a large number of training centres.

6. In addition to the above, and as an immediate step in order to meet the special conditions prevailing in India, we recommend the training of large numbers of Health Workers. These Health Workers should be given elementary training in practical, community, and personal hygiene, first aid, and simple medical treatment, stress being laid on the social aspects and implications of medical and public health work. There should be one Health Worker for every one thousand of the population, and this number should be attained within five years. Selected Health Workers should be given further training at suitable intervals so that they might be better trained for this service.

7. There should be ultimately one qualified medical man or woman for every 1,000 of population, and one bed for every 600 of population. Within the next ten years the objective aimed at should be one medical man or woman for every 3,000 of population, and a bed for every 1,500 of population. This should include adequate provision for maternity cases.

8. The medical and health organisation should be so devised and worked as to emphasize the social implications of this service. With this object in view the organisation should be made a free public service, manned by whole-time workers trained in scientific method. To give effect to this aim, a Chair should be established in every medical school for special training in the social or service aspect of medicine and public health.

9. Adequate steps be taken to make India self-sufficient as regards the production and supply of drugs, biological products, scientific and surgical apparatus, instruments and equipment, and other medical supplies.

10. A Pharmacopoeia Committee should be appointed to draw up an Indian pharmacopoeia. In order to carry out this object adequately, research should be particularly intensified to determine the action of drugs traditionally used in India.

11. No secret remedies, or remedies whose exact composition is not stated on the labels of the containers in the clearest possible terms, should be allowed to be sold.

Proprietary remedies whose composition is clearly indicated, may, however, be allowed to be sold under proper State supervision.

12. No individual or firm, Indian or foreign, should be allowed to hold patent rights for the preparation of any substances useful in human or veterinary medicine.

The State should encourage and endow research and suitably recognise and reward those who achieve successful results.



(Note: Mr. Ambalal Sarabhai is of opinion that such patents should be treated on the same basis as copy-right in books or industrial patents).

13. An attempt should be made to absorb the practitioners of the Ayurveda and Unani systems of medicine into the State health organisation by giving them further scientific training where necessary. Medical training in every field should be based on scientific method.

(Note: Mr. Nanda was of opinion that other systems, such as homoeopathy and naturopathy, should also be included in this by the addition of the words "and other systems". It was pointed out, however, that no exclusion was intended in the resolution but stress was laid on the necessity of the scientific method and training.)

#### SUB-COMMITTEE ON WOMAN'S ROLE IN PLANNED ECONOMY.

##### VIII

The Final Report of the Sub-Committee on Woman's Role in Planned Economy was presented on the 31st August by Srimati Mridula Sarabhai, Secretary of the Sub-Committee, in the unavoidable absence of the Chairwoman, Rani Lakshmibai Rajwade. Several members of the Sub-Committee were present during the discussion, which continued on the 1st, 2nd and 4th September.

The following resolutions were adopted:

1. On the basis of the Karachi Congress, 1931, declaration of Fundamental Rights of Citizenship in India, it is resolved:—

- (a) In a planned society, woman's place shall be equal to that of man. Equal status, equal opportunities, and equal responsibilities shall be the guiding principles to regulate the status of woman whatever the basis of society in the Plan;
- (b) Woman shall not be excluded from any sphere of work merely on the ground of her sex;

(c) Marriage shall not be a condition precedent to the enjoyment of full and equal civic status and social and economic rights by woman;

(d) The State shall consider the individual as the basic social unit and plan accordingly.

2. Woman shall have the right to vote, to represent, and hold public office, on the same terms as man. There shall be joint electorates, based on adult franchise, for both men and women, for election to political bodies, including self-governing institutions.

3. An organised health service, with special maternity arrangements for women, shall form an integral part of planned economy. Indigenous Dais shall be gradually replaced by trained midwives as soon as possible.

4. The health programme of the State shall aim at the eradication of serious diseases, more especially such as are communicable or transmissible by marriage. The State should follow a eugenic programme to make the race physically and mentally healthy. This would discourage marriages of unfit persons, and provide for the sterilization of persons suffering from transmissible diseases of a serious nature, such as insanity or epilepsy.

5. A Planned scheme of national economy should provide for a scheme of social insurance, made available in cash and kind, for all citizens. This should include benefits in the case of disability, sickness, accident, pregnancy and child birth in the case of women, and assistance for the care and nursing of the newborn child. This scheme should be given effect to progressively.

6. During the transition period due provision should be made in the leave rules applying to women workers to get leave on the ground of the sickness of the child. The burden of this may be borne by the community.

7. Creches and nursery centres should be provided for as laid down in resolutions 12 and 14 passed on the Labour Sub-Committee's Report. Meanwhile the present system of requiring the employer to provide for maternity



benefits and creches should be continued and extended to include plantations and mines. In view of the fact that this provision had led to the exclusion of women workers from such employment, the cost should in future be assessed on the total number of employees, irrespective of sex. All benefits shall be disbursed by the State or local authorities.

This rule should also apply to local self-governing institutions as well as other large employers.

8. Those Provinces and States which have no Maternity Benefit Acts should adopt a scheme of social insurance in preference to a Maternity Benefit Act. In the event of a Maternity Benefit Act being introduced this should be on the lines indicated in resolution 7 above.

9. All women should be assured adequate leisure, irrespective of work in or outside the home. This leisure will follow from:

(a) The organisation of Pre-Basic educational institutions, such as nursery schools, kindergarten centres as well as creches, and

(b) The improvement of social amenities and co-operative and community undertakings.

It is also necessary that there should be some kind of regularity in home life. There should be a cessation of all work during the day at a fixed hour, so that the midday meal can be conveniently taken and the housewife released from the duties of the kitchen.

10. An identical standard of morality, which harmonises social welfare with individual freedom, should be accepted for both man and woman, and should guide legislation and social convention.

11. Persons born in any part of India of parents who are Indian Nationals shall, in regard to nationality, be considered Indian citizens. Persons born of alien parent or alien parents shall have the right to choose their nationality within six months of their reaching the age of majority. Married women shall have the same right in the event of their marrying non-nationals of India.

12. Every child born in the community has a claim on it in regard to education, occupation, earning and property, as well as civic and social rights. There should be no restrictions made either by law or custom between children born in or out of wedlock. Children of alien parents shall also be entitled to education, health and freedom from abuse.

(Note: Mr. A. D. Shroff does not agree that there should be no difference made either by law or custom between children born in or out of wedlock).

Mr. Shuaib Qureshi desired to record his dissent as follows:

"Such claim should be confined to:

- (i) the parents of the child;
- (ii) in case of a child born out of lawful wedlock, to maintenance, parental care, and education, but would not affect the law of inheritance."

13. A Charter of Children's Rights shall be framed on the lines of the U.S.A. (legislation) and its provisions shall include:

- (a) Reservations against any commitments made by guardian or parent on behalf of a minor child in respect of marriage, dedication to religion, slavery, or beggary. These commitments shall be deemed to be voidable in law at the option of the individual concerned on reaching the age of majority. In the event of any such commitment being given effect to, the special officer appointed for this purpose should be entitled and empowered to act on behalf of the child to avoid the commitment.
- (b) The employment of children for wages under the age of 15 should be prohibited. During the transitional period, the minimum age for such employment should be progressively raised to 15, particularly in industries and in occupations where hours and conditions of work are harmful to the children. Exceptions may be made for agricultural work. Night work between 6 p.m. and

6 a.m. shall be prohibited to boys and girls under 18.

When the national system of education, including Basic Education compulsory up to 14, comes fully into operation, the minimum age for such employment will be automatically raised; and correlation shall be provided between work and training, even after the age of 14.

A special organisation should be established to look after and protect the rights of children, particularly orphan children.

14. The principle of equal wage for equal work shall be granted practical recognition in such a manner that it does not create unemployment or bar employment to women.

15. Women shall not, as a matter of policy, be excluded from any industry or occupation. In the event of any legislation or development causing the exclusion of women from any occupation, and thus leading to their unemployment, steps should be taken by the State to provide for their being absorbed in other occupations.

16. For purposes of recruitment and co-ordination of labour supply in different occupations, a system of labour exchanges should be established.

17. Trade Unions should consist of both men and women workers. There should be no separate trade union for women. Statistics of trade union membership should include information about women and young persons on their registers.

18. Woman's work in the home, as well as her work on the family land though not easy to recognise in terms of money value, is an essential contribution to the social wealth of the State (Community); and shall be fully recognised as such. The aggregate of social wealth under Planned Economy will include all kinds of work, whether recognised in money value or not.

19. A uniform Civil Code shall be enacted applicable to all citizens of India. This should be based on the funda-

mental principle of equality as between man and man and man and woman. During the transition period, it should apply to those who choose to accept it. Those who are unable to subscribe to this Code, may continue to be governed by their personal law. Where, however, anything in this personal law affects woman's position adversely, immediate attempts should be made to remedy this.

(Note: Considerable discussion took place on this resolution. Mr. Shuaib Qureshi expressed his disagreement with it. Mr. G. M. Sayed was of opinion that the Civil Code should be made compulsorily applicable to all, and that there should be no option about it. Some other members were in sympathy with this view, but they felt that, under the existing circumstances, it was preferable to make the application of the Code optional. The representatives of the Sub-Committee stated that their members, including Begum Hamid Ali and Begum Shahi Nawaz, were in favour of an optional Civil Code. Mrs. Zarina Currimbhoy and Mrs. Ismail also expressed their agreement with this view.)

20. Reformers in many communities have brought about changes in the Personal Law from within these communities. These efforts are to be welcomed, and wherever they are in line with the general policy of the State, they should be encouraged by the State.

21. An All-India Civil Marriage Act shall be enacted enabling any two persons above the age of majority, to whatever religion they may belong, to be married without any declaration in regard to religion.

22. Pending the completion of the Plan, it is clear that the existing law will continue to function in regard to marriage, side by side with the civil marriage provided for above. Immediate steps must, however, be taken for the following purposes:

- (i) In regard to the age of marriage, the legal limits should be progressively raised to the Age of Majority;

- (ii) Consent of the marrying parties shall be made essential.
- (iii) Marriage shall be made monogamous, and right to divorce introduced.
- (iv) All intended marriages shall be notified, and marriages shall be recorded by a public authority. The State should afford facilities for this, so that this intimation and record may be made easily through the village panchayat or other self-governing body.

(Note: There was considerable discussion on clause (iii) above relating to monogamy. Mr. Shuaib Qureshi was in favour of encouraging monogamy in every way and of the State discouraging polygamy, but he was opposed to a legal bar against polygamy. He agreed that on a second marriage by the husband, the first wife should have a right of divorce.

Mr. G. M. Syed was in favour of immediate and compulsory monogamy.

Mr. Joshi was of opinion that if the age limit of marriage was raised to majority, and divorce was made easy and at the will of either party, this provision about monogamy was not necessary. Dr. Dubey and Mr. Shroff agreed with Mr. Joshi. The clause was, however, approved by the majority of the members).

23. Divorce shall be available at the option of either party, subject to such conditions as may be laid down by the law in that behalf. These conditions may relate to sufficient notice period for the divorce to be effective, and maintenance and custody of children. These conditions should be equal as between man and woman.

(Note: In this connection the question of *mehr* in Muslim Law must be considered, without prejudice to the principle laid down above.)

(Note: Messrs. Shuaib Qureshi, Syed Mahmud and Nazir Ahmad add the following note to this

resolution on divorce: This shall not affect the Muslim personal law, according to which the two parties to a marriage contract could, as the law stands even now, have, as part of the contract, equal right of divorce. As to the right of maintenance of children, that too is fully safeguarded under the Islamic Law.)

24. Divorce when effective shall be evidenced by an appropriate certificate from some public authority.

25. Disabilities attached to the condition of widowhood should be ended.

26. The State should follow a policy to assure to woman the same rights as man to hold, acquire, inherit, and dispose of property of all kinds, and to shoulder corresponding obligations, without any differentiation at any stage or in any manner on grounds of sex alone, and changes in the existing laws, when necessary, should be progressively made. This is especially necessary in regard to the Hindu Law.

*Note:* Messrs, Shuaib Quereshi, Syed Mahmud, Nazir Ahmad and G. M. Sayed wish to add that this should be without prejudice to Muslim personal law.

27. The right to insist upon restitution of conjugal rights in Hindu and Muslim law should be abolished.

28. Co-education shall be the basis or ideal of the national system of education, which should be founded on common courses of study for boys and girls. During the transitional period, common high schools for the adolescent should be encouraged for both sexes. Provision may, however, be made for separate high schools for girls, where local sentiment demands them, and this is considered feasible.

The staff in all-co-educational institutions should be mixed, and in other institutions such mixed staff should be encouraged.

*Note:* Prof M. N. Shah and Mr. Shuaib Qureshi were against co-education between the ages of 12 and 18.



29. The State shall provide training centres for women social workers who, due to economic circumstances and lack of high academic education, cannot avail themselves of the existing facilities.

30. Legalised abortion should be permitted only in recognised institutions under properly qualified persons;

- (a) when pregnancy is a result of rape;
- (b) when pregnancy is considered dangerous to the health of the mother.

31. The administrative machinery of the State shall include a Ministry of Social Affairs to co-ordinate all problems connected with social welfare, and to arrange for investigation and research into problems of this nature.

#### SUB-COMMITTEE ON LAND POLICY, AGRICULTURAL LABOUR AND INSURANCE

1/4

Shri K. T. Shah, Chairman of the Sub-Committee on Land Policy &c., presented a further note on the 3rd September, in addition to the Interim Report submitted during the Fourth Session of the National Planning Committee. After full discussion, and certain amendments, this note was approved of. The amended note then read as follows:

In pursuance of the general policy already laid down by the National Planning Committee (vide Handbook No. 3, page 33) in regard to the ownership and working of land, the following amplification is recommended:

Cultivation of land should be organised in complete collectives, wherever feasible, e.g. on culturable wastelands, and other lands acquired by the State. Other forms of co-operative farming should be encouraged elsewhere. This co-operative farming should include cultivation of land and all other branches of agricultural work. In such co-operatives, private ownership of land will continue; but working of such land shall be in common; and the distribution of the produce will be regulated in accordance



with the duly weighed contribution made by each member in respect of land, labour, and tools, implements, and cattle required for cultivation.

During the transition, the co-operative organisation of farming may also take the form of restricted co-operation for specific functions, e.g. credit, marketing, purchase of seeds, etc.

It may also be on land acquired on lease by the co-operators from a private landowner, whose only interest thereafter would be confined to receiving the stipulated leasehold fee. The activities of such a co-operative organisation may be unrestricted in respect of all operations connected with agriculture. The only difference between this form and the preceding will be: that whereas in the preceding form the land will be brought into the common pool which belongs to the members of the co-operative themselves, in the other form the land would be leased from a private owner.

The State should also maintain special farms under its direct control and management for experimental, educational, or demonstration purposes.

The collective farm—as distinguished from the co-operative or the State farm mentioned above—may be operated in such a manner that, after paying from the produce all expenses of cultivation, including the wages of workers, the surplus, if any, after paying the State dues, will be available for the benefit of the collective colony and the common services or amenities required by it, so as to raise their standard of living, as well as to make provision by way of reserve against future contingencies.

It has been decided that no intermediaries between the State and the cultivators should be recognised; and that all their rights and titles should be acquired by the State paying such compensation as may be considered necessary and desirable. Where such lands are acquired, it would be feasible to have collective and co-operative organisations as indicated above.

While these steps are being taken in the direction of collectivisation, there will continue to be large parts of the country under the regime of peasant proprietors or individual cultivators. Individual enterprise will thus continue; but it must be subordinated to the needs of the community. Wherever possible, the co-operative principle should be introduced even in this sector of the national economy to whatever extent feasible. This will also enable the State to judge from experience and comparison how far this organisation is beneficial in particular areas and can be harmonised with the Plan. It is difficult to make more specific recommendations in regard to this sector applicable to all India, as conditions vary considerably in the different parts of the country. Far-reaching changes have been made in recent years in regard to land revenue, agricultural debts, and organisation of farming; and many proposals dealing with these and cognate matters have also been put forward, and are before the public. There is still room for considerable improvement in this regard; but specific recommendations will necessarily relate to each province separately. It should be borne in mind, however, that whatever changes are proposed or made, should be in keeping with the general policy and objectives in regard to land laid down above.

While the present land revenue system lasts, the basis of taxation must be changed so that the higher incomes from land should be taxed progressively on the model of the Income Tax. Wherever possible and advisable relief in land revenue burdens should be afforded to actual petty cultivators on whom that burden falls disproportionately heavily today.

(Note: Mr. G. M. Sayed was of opinion that compulsory collectives should be the only ideal laid down.

Mr. Ambalal Sarabhai was in favour of the deletion of the last three lines of paragraph 2 and to state instead that "the distribution of the produce should be on an equitable basis."

Mr. Ambalal Sarabhai wished to add that he approved that the proposals contained in the Note should be given effect to as experiments. He fully accepted the last paragraph of the Note regarding the basis of taxation.)

## RURAL & COTTAGE INDUSTRIES SUB-COMMITTEE.

### II|1

Dr. C. A. Mehta, Secretary of the Sub-Committee, presented a Note on the Policy regarding Rural and Cottage Industries, on the 3rd September. Sri S. C. Das Gupta, Chairman of the Sub-Committee, was unable to be present. Discussion continued on the 4th.

There was a prolonged discussion on the relative virtues and failings of large-scale and cottage industries. It was stated, however, that cottage industries were not intended to come in conflict with the industrialisation of the country, but to absorb the large numbers of the unemployed and partially employed in rural areas.

The following resolutions were adopted:

1. A National Plan for India would necessarily aim at securing the welfare of the community as a whole; but in view of the fact that the masses in the villages constitute nearly 90% of the population and form the backbone of the nation, their well-being should be the main concern of the State and primary objective of the national plan.

2. A vast mass of the people, especially those resident in the rural areas are unable to procure a sufficiency of food, clothing, housing, and other bare requirements of a healthy, efficient, and decent living; and a large proportion of them are in a state of constant want, semi-starvation, enforced idleness and economic insecurity.

3. The decay of rural and cottage industries was brought about by the deliberate suppression of indigenous industries by the East India Co. for the benefit of British industry, and has been accelerated by the competition of the machine-made products of foreign and Indian power-

driven industries; and by the failure of the State to recognise cottage industries as an integral part of the national economy. No occupations having been provided as a substitute, this has resulted, for the bulk of the rural population in chronic underemployment, and a very low standard of life.

4. While other means of improving the economic conditions of the rural masses, such as:

- (i) Improvement of agriculture, extension of irrigation and other means of intensive cultivation, vegetable and fruit growing, etc.
  - (ii) Provision of public utilities and social services in rural areas, such as medical and educational facilities, transport services, water supply etc. and.
  - (iii) State programmes of providing roads, irrigation facilities, and other forms of capital equipment,
- will, if vigorously pursued, lead to a considerable amelioration in rural conditions, these measures will, in the nature of things, take time to materialise. The revival and expansion of old and the introduction of new cottage and rural industries will be an important and indispensable means of rehabilitating the villages and providing adequate and suitable employment to the people in the villages and ensuring to them a satisfactory level of income and resources.

5. The importance of cottage and rural industries for improving the economic life of the large masses of the rural population arises from various advantages which cottage industries possess, such as:

- (i) employment in the natural setting of the worker's own place of habitation, combined with numerous physical, moral, material and other benefits that go with such employment;
- (ii) finding means of livelihood for the largest number of persons;
- (iii) offering opportunities for profitable employment and development of inherent talent and

aptitude in occupations which should be congenial to them;

- (iv) the opportunities of following more than one vocation for means of livelihood, particularly subsidiary occupations for the cultivating classes;
- (v) the comparatively lower cost of living for a similar standard in rural areas than in urban areas;
- (vi) the increased employment in rural areas leading to spreading over of purchasing power which is confined to urban areas at present.

6. A permanent Cottage Industries Board should be established. It will be a function of this Board to arrange for the training of artisans and skilled workers, who would take charge of groups of unskilled workers in the villages and train up the latter to the requisite level of skill and discipline as speedily as possible.

The Board should also undertake scientific and technical research in manufacturing processes which may be suitable for cottage and rural industries, with a view to widening the list of cottage and rural industries which can be undertaken by the people with advantage.

7. In determining the respective scope of cottage and rural industries on the one hand, and large-scale mechanised industries on the other, there shall be an examination by the Planning Authority of the relative economic and social value of the two methods of production, taking into consideration, among other aspects:

- (i) the possibilities for extending employment and absorbing the unemployed;
- (ii) the possibility of substantially raising the standard of life of the masses;
- (iii) equitable distribution of the existing national income and wealth so as to assure a proper standard of consumption;
- (iv) economic and social security;

- (v) reaction on the health, freedom, initiative, character and culture of the people.

8. While all possible measures should be taken to strengthen the economic basis of the cottage and rural industries, by arranging for the requisite finance, providing facilities for securing and storing raw materials, re-adjusting freights, improving marketing, technique of production, implements, organisation, etc., such other protection should be given as the Planning Authority may consider necessary and desirable in order to neutralise such disadvantage as may remain.

Till a living wage can be assured to all the workers, the wage which is paid to rural workers shall not be less than four annas, on the basis of the cost of living index in August 1930.

(Note: Mr. A. D. Shroff disagreed with this resolution).

Mr. Joshi wanted to draw the Sub-Committee's attention to the conditions of work of rural and cottage industry workers. This matter should be considered in their fuller report.

9. Such cottage and rural industries as are specifically selected by the State for support should be controlled and regulated by the State.

(Note: The sub-committee be asked to report on the nature and extent of the control necessary for this purpose).

10. The cottage and rural industries, selected specifically for support by the State, should be organised so as to fit into the agrarian economy recommended in the resolutions of the N.P.C. passed in regard to Land Policy. (Vide pages 32-33 of Handbook No. 3).

11. Large-scale mechanised industries which compete with those cottage and rural industries, which are specifically selected by the State for support, must be owned or controlled by the State, so that there may be proper co-ordination between the two.

12. In view of the fact that the general effect of the administration of the State in the past has been in favour

of the urban areas and to the great disadvantage of the rural areas, the State should take particular care to redress this balance, and to avoid any measures in the future which injure, or are in conflict with, the interests of rural population, so that a balanced structure may be built up under Planned Economy.

13. It is desirable that the State should also encourage and foster such cottage and rural industries as can, with State assistance, in the form of provision of finance, improved processes and equipment, research, marketing and other facilities, be in a position to produce goods and services at a cost and return comparable to those of other competing methods of production. The words 'cost' and 'return' used in this context have to be interpreted in a broad sense, so as to include long time as well as short time costs and returns, and the indirect costs and returns to society in addition to the costs and returns reckoned in money. The Planning Authority will consider all these aspects and shall be the final judge.

14. All measures of a regulative nature, other than or in addition to the grant of a subsidy, which are required for the due achievement of the purpose mentioned above, should be such as not to place the mechanised industries of any Province or State at a disadvantage *vis-a-vis* their competitors in other Indian Provinces.

15. All measures pertaining to the regulation of the relation between cottage and mechanised industries should be planned and co-ordinated on an all-India basis, so as to avoid inter-Provincial conflict and rivalry. In doing so the Planning Authority shall, however, take care that infant industries in economically undeveloped areas are not thereby put at a disadvantage in their development.

The resolution of the Sub-Committee in regard to the obligation of the State to provide alternative employment for those who lose it as a result of technical progress etc. was considered to cover too big a subject to be consired in this connection. In Planned Economy there should be no unemployment. During transition stages various measures



will undoubtedly be necessary to provide alternative employment. The Committee appointed to draft a resolution on Rationalisation might consider this aspect of the problem.

The N. P. C. then reverted to a consideration of resolution No. 7 as recommended by the Rural and Cottage Industries Sub-Committee. There had previously been a great deal of discussion over this and it had been passed over. Many members pointed out that they would like to have full data in order to consider this recommendation. It was ultimately resolved that this resolution be sent back to the Sub-Committee, so that they might amplify it and give full figures and particulars. It should be considered in relation to the norms of progress laid down by the N. P. C. The resolution sent back for further report was as follows:

“Considering the appalling poverty and helplessness of the people in the villages, on the one hand, and the vast amount of unoccupied time available for useful employment, on the other, industries concerned with the satisfaction of the primary needs of the rural population, e.g. manufacture of clothing, processing of food articles for the pursuit of which the people are equipped by long tradition, which engage large numbers at present, and which are capable of affording employment to much larger numbers, should be organised and developed by the State, as cottage or rural industries.

“The national plan should provide for the adoption of all measures necessary for relieving these cottage and rural industries from the stress of competition, and for facilitating the expansion of such industries to the desired size, while providing a living wage to the workers engaged in these industries.”

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## APPENDIX IX

### A BRIEF ACCOUNT OF THE PROCEEDINGS OF THE SIXTH SESSION OF THE NATIONAL PLANNING COMMITTEE HELD ON 17TH SEPTEMBER 1945

An informal meeting of the National Planning Committee was held at 2. 30 p.m. on Monday, the 17th September 1945 when the Chairmen and the Secretaries of the Sub-Committees as were available in Bombay were present. Mr. J. R. D. Tata and Dr. John Mathai were present by special invitation.

The Chairman invited all present to offer their views on the main question before the meeting. After most of those present had offered their remarks, the following resolutions were adopted:

"In view of the long period that has elapsed since the last meeting of the National Planning Committee and the vast changes that have taken place due to war conditions and otherwise, it is desirable that the National Planning Committee should issue directives to the Sub-Committees about future work. In considering this the previous resolutions of the Planning Committee as well as the various plans for national planning placed before the country should be reviewed, with a view to speed up production and to organise distribution in such a way as to bring about the maximum increase in the standard of living of the people within a minimum period of time."

"It is also necessary to prepare a factual statement of the changes that have taken place in the country and outside and their effect on any scheme of planned economy. Further it is desirable to draw up a list of priorities, with the resources which may be available to us that may be taken up immediately with a view to meet the problems of varying urgency that are likely to confront the country in the immediate future."

"These questions should be considered by the National Planning Committee at its next meeting to be held on November 6, 1945, onwards. Meanwhile a Sub-Committee consisting of Dr. John Mathai, Col. Sokhey, Sir C. V. Mehta, Mr. A. D. Shroff, Mr. Manu Subedar and Prof. K. T. Shah (Convenor) is appointed to consider these questions and to report thereon to the next meeting of the National Planning Committee."

"A copy of the previous resolutions be sent to the Chairmen and Secretaries of Sub-Committees and they be requested to consider the matters referred to therein so far as they apply to the Sub-Committees and send their opinion, particularly with regard to the changes that have taken place which affect their work. Also their recommendations as to priorities be mentioned in the resolution."

"Letters be addressed to the States who have been co-operating with the National Planning Committee stating that in view of the resumption of the work of the Committee, it is hoped they will contribute again to the funds of the Committee."

"Similar letters may also be addressed to the Governments in Provinces where ministries are functioning."

"The Finance Committee of the National Planning Committee be requested to take steps to raise the necessary funds from organisations and individuals interested in the work of the Committee."

"As no work had been done in connection with the Crop Planning and Production Sub-Committee, it was resolved to authorise the Chairman to reconstitute that Committee after receiving suggestions regarding suitable personnel."

"Resolved that the plenary sessions of the National Planning Committee be held on the 6th November 1945 to be continued on the days succeeding as decided by that meeting."

A BRIEF ACCOUNT OF THE PROCEEDINGS OF  
THE SEVENTH SESSION OF THE NATIONAL  
PLANNING COMMITTEE HELD FROM  
8TH-10TH NOVEMBER 1945.

A meeting of the National Planning Committee was held at 2-30 p.m. which lasted till 6-15 p.m. on the 8th November 1945; on Friday the 9th November 1945 at 9. 30 a.m. to 1. 30 p.m. and on Saturday the 10th November 1945 at 9. 30 a.m. to 1. 30 p.m. The Chairman and Secretaries of the Sub-Committees were also present at these meetings. Mr. J. R. D. Tata, Dr. John Mathai and Mr. N. V. Phadke were present by special invitation.

The report of the Hon. Gen. Secretary on the informal meetings of September 12 and 17 was read and adopted; and the decisions taken at those informal meetings of the Planning Committee were confirmed.

The Committee considered the report of the Sub-Committee on Developments and Priorities appointed at the informal meeting of the 17th September last, paragraph by paragraph. After full and detailed consideration the Report was adopted with changes and modifications suggested at the meeting and accepted.

It was resolved to incorporate the changes made in the Report and issue directives to Sub-Committee on the lines of this Report as altered in the Committee meetings.

The Committee then took up certain propositions concerning matters which vitally affected the general policy of National Planning. A Sub-Committee consisting of Mr. A. D. Shroff and the Hon. Gen. Secretary was appointed on the 9th September to revise the draft of the motions on Sterling Balances, the Dollar Pool, and Scrapping and Disposal of surplus war plants or war-time industries; while Dr. Mathai was requested to prepare a draft resolution on the investment of Foreign Capital in India, and the Chairman to prepare another on the utilisation of war-time camps etc.

These drafts were considered on Saturday and after considerable discussion and some modifications, the following resolutions were passed:—

### *Sterling Balances*

The National Planning Committee take note of the accumulation of enormous credit balances due to India, kept in London, in Sterling; that these balances are not convertible into hard currencies which can be utilised for India's own immediate needs of industrialisation and general economic development for purchases in countries other than those in the sterling area, that accumulation of these balances in sterling has led to a new and more objectionable type of imperial preference and excludes India from markets in countries other than those in the sterling area. These balances have arisen out of the ordinary supply of goods and services, provided from this country to a large extent depriving her nationals of their primary needs, to aid Britain in her war effort, and are in addition to the equally enormous contribution obtained by the British Government from (the Government of India) in the shape of additional war expenditure far in excess of India's capacity, charged to this country. The goods and services, which these balances represent, were and are being obtained from India mostly at controlled prices, so that the suggestions now being made in certain British quarters about the amount of these balances being inflated, in real values, twice or thrice because of the rise in prices, are in contradiction to the actual facts of the situation, as recorded and admitted by a Parliamentary Committee which recently investigated into the subject. The suggestion, therefore, that the amount be scaled down is unwarranted in justice and in fact. The Committee accordingly demand that without any further delay every effort must be made for an immediate settlement of this problem with a view to an early realisation, as the continued increase in the balances tends to render the ultimate settlement more and more difficult. The Committee are of opinion that at least a partial liquidation of these balances should be im-

mediately effected through a mobilisation and acquisition of British owned assets in India by the British Government, and the disposal of the same in India and conversion into rupee equivalent. The Committee also record their opinion that any settlement of these balances, which would involve undue sacrifice of India's just claims, will not be acceptable.

### *The Dollar Pool*

The National Planning Committee note with concern that a large amount, due to India, is locked up in the Empire Dollar Pool, built up from the sale of goods and services by this country to the United States. This fund is yet unavailable for India's urgent demands to finance Indo-American trade, and forward the intensive industrilisation of the country. The National Planning Committee urge that, without prejudice to India's right to demand a full account of the origin, growth and utilisation of this Dollar Pool, all further accumulation in the Pool be immediately stopped; and that every Dollar earned by India from now onward by the sale of her goods and services abroad be credited and made available to India. The Committee further demand that a clear and complete account be published of the transactions in the Dollar Pool as early as possible to determine what share thereof belongs to India, so that it may be restored to her. In this connection, the National Planning Committee take note of the stipulations reported to have been made by the United States while offering financial assistance to the United Kingdom, which indirectly affect these dues. The Committee warns the authorities concerned that no arrangements made between the present Government of India and the British Government, or any other party, which would prejudicially affect these dues as well as the prospects for industrialisation and economic development of this country, will be acceptable to the Indian people.

### *Scrapping of War Plant or Ordnance Factories*

The National Planning Committee have considered the urgent problem of the utilisation and disposal of fac-

tories established in connection with the war, which may no longer be required for India's defence purposes. The Committee consider it important that this surplus plant and machinery should not be scrapped or dismembered, but should be utilised for the industrial development of the country. In order to ensure that such plant and machinery are utilised in the most efficient manner, a Committee of Experts be appointed to consider the ways and means of their conversion to peace-time use. In no case should this equipment be transferred to non-Indian ownership or management.

### *Foreign Capital Investment in India*

The National Planning Committee are of opinion that a stage has now arrived in the economic evolution of India when the investment of foreign capital in Indian Enterprise should receive urgent consideration with reference to its bearing on the future political as well as economic development of the country. They have accordingly given special attention to this problem in the course of their enquiry and have arrived at the following conclusions:

The investment of foreign capital in Indian agricultural, mineral and industrial concerns since the establishment of British rule, has resulted in the acquisition by foreign interests of a measure of control over India's economic and political life which has both warped and retarded national development.

It is important that the investment of foreign capital in Indian enterprise should not ordinarily be permitted hereafter in a form which would entitle it to ownership and management in respect of industries of national importance.

In particular in the case of key industries, involving the use of secret processes which would not otherwise be available to the country, foreign participation in ownership and management may be permitted. Such participation should be subject to the approval of the State, which will lay down the conditions and limitations to safeguard adequately Indian National interests.



It is possible in view of India's vast capital requirements in the coming years, that she may need capital from other countries. It is not, however, in her interest to accept it, if it is required for essential industries, except in the shape of loans, or credits, raised by or through the State.

In order to enable India to plan her economic development on lines that would ensure and promote the best interests of the country, the special statutory safeguards provided in the Government of India Act, 1935, in respect of non-Indian concerns should forthwith be repealed.

It is essential that foreign interests which now exercise a predominant control over certain vital industries in India, particularly those involving the utilisation of scarce natural resources should be acquired by the State on payment of reasonable compensation.

Where such interests are held by Companies with sterling capital, the payment of compensation should be effected by means of the sterling balances now held by India. The question of the employment of sterling balances for this purpose should, therefore, be taken up immediately for examination.

#### *Utilisation of War-Time Hospitals, Camps, Etc.*

The National Planning Committee are of opinion that the large number of training camps, transit camps, rest camps, hospitals and dispensaries, farms and dairies, storehouses and other buildings, which were constructed for the purposes of the war and are no longer required by the military, should be utilised now for objects of public benefit. These buildings and equipment can be used with suitable alterations where necessary, for housing purposes, educational establishments, co-operative societies, hospitals, libraries, reading rooms, sanatoria, health centres, recreation rooms, gymnasias, granaries and innumerable other purposes. They can thus be made to help in many ways in the initial stages of planning especially, in improving village life and rehabilitating many of our villages.

Is was resolved to reconstitute the undermentioned sub-committees as follows:

Crop Planning and Production	}	Mr. B. S. Patel (Chairman)
		Mr. S. P. Agharkar (Secretary)
Transport Services	}	Mr. M. A. Master (Chairman)
		Mr. N. V. Modak (Chairman)
National Housing	}	Mr. S. B. Joshi (Secretary).

It was resolved next that a co-ordinating Sub-Committee be appointed to consider particularly the more urgent problems of food, housing and education especially literacy and recommend specific schemes. The Chairman was authorised to appoint this Sub-Committee.

*A Brief Account of the Proceedings of the Eighth Session of National Planning Committee held on 9th July 1946.*

An informal meeting of the National Planning Committee was held on the 9th July 1946 when the following members were present: Pandit Jawaharlal Nehru, Shri Gulzarilal Nanda, Prof. K. T. Shah, The Hon'ble Mr. Shuaib Qureshi, Smt. Vijayalakshmi Pandit.

Resolutions were passed at the Informal Meeting of the National Planning Committee held on the 9th July 1946.

*Resolution No. 1*

This Informal Meeting of the National Planning Committee notes with great disappointment of the formation of the new Caretaker Government out of which the Planning Department has been excluded, thereby implying that the task of National Planning is regarded as of no importance in the eyes of those still in power in the governance of this country. Whatever may be the

future Constitution of the country to be framed by the Constituent Assembly; and whatever may be the power and functions of the Central (Union) Government under that Constitution, any real and lasting improvement in the standard of living of masses of this country will be impossible without a comprehensive Plan and without some machinery under the Central National Government for co-ordinating the Provincial Plans, even if there be no power vested in the Central or Union Government for carrying out any part of the National Plan directly by its own Agency. The task of national comprehensive planning has always been particularly difficult in this country for lack of the necessary data in the form of statistics and other material. It is urgently necessary to collect, compile and co-ordinate such material; and for this purpose a Planning Department is essential; this Informal Meeting of the National Planning Committee, therefore, regards the discontinuance of the Planning Department as a grave error and omission.

*Resolution No. 2*

This Informal Meeting of the National Planning Committee, having considered the reports of the Priority and Development Sub-Committee appointed at the last meeting of the National Planning Committee, to consider the urgent national problems of Food, Education and Housing, realises the grave importance of those questions at this juncture, particularly in regard to Food, and consider that the ways and means recommended by the Special Sub-Committee in regard to each of these problems deserve the most careful consideration by the Provincial and State Governments. The Meeting accordingly authorises the Honorary General Secretary to publish these Reports and forward copies to all the Provincial and State Governments which have co-operated with the National Planning Committee, and such other Bodies and Authorities as may be interested and invite their opinion to enable the National Planning Committee to take formal Resolutions on the same at their next full and formal sessions.

*Resolution No. 3*

The National Planning Committee have received the Reports of the following Sub-Committees submitted in the interval since the last Plenary Session of the National Planning Committee viz:—

- (a) Technical & Scientific Education,
- (b) Fisheries,
- (c) Internal Trade and,
- (d) Power and Fuel.

and this meeting of the National Planning Committee authorises the Honorary General Secretary to summarise these Reports with special reference to their conclusions and recommendations, and send copies of the same to the Press. Formal Resolutions of the National Planning Committee in Plenary Session will be taken on these Reports when the Committee meets formally at a later occasion.

*Resolution No. 4*

This Informal Meeting of the National Planning Committee recommends to the Chairman, National Planning Committee, in anticipation of confirmation at the full and formal Meeting of the Committee, to nominate the following two Representatives on the All-India Council for Technical Education, viz.,

Sir J. C. Ghosh and  
Prof. K. T. Shah.

*Resolution No. 5*

This Informal Meeting of the National Planning Committee, having considered the request of the National Institute of Science, and of the Indian Scientific Congress Association for representation on the National Planning Committee agree to the co-option of a Representative each of those Bodies upon the Planning Committee, and bearing in mind the importance and utility of these Bodies in the general life of the country, invite these Bodies to submit names of their Representatives who will be co-opted as representing those Bodies on the National Plan-

ning Committee, in anticipation of the confirmation at the Plenary Session of the Committee; and that the Honorary General Secretary be authorised to invite those thus co-opted to attend the next meeting of the National Planning Committee.

*Resolution No. 6*

The National Planning Committee has noted with satisfaction the restoration of Constitutional Government in the various Provinces of India, and the steps now being taken by the several Provincial Governments to formulate plans of development for their own Provinces. The Committee are of opinion that these several plans would gain in utility to the country very materially if they are properly co-ordinated as from a Central National point of view. The Honorary General Secretary be therefore requested to get in communication with the various Departments concerned and to intimate to this Committee the projected plan or plans for each Province or State, with a view to enable the Committee to suggest ways and means for co-ordination.

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## APPENDIX X

### GRANTS AND CONTRIBUTIONS TO THE N. P. C.

Provinces							Rs.	a.	p.
N. W. F. Province	..	..	..	..	..	..	1,000	0	0
Madras	..	..	..	..	..	..	1,000	0	0
Bihar Govt.	..	..	..	..	..	..	6,000	0	0
United Provinces	..	..	..	..	..	..	6,000	0	0
Bombay	..	..	..	..	..	..	6,000	0	0
Central Provinces	..	..	..	..	..	..	4,000	0	0
Assam	..	..	..	..	..	..	1,000	0	0
Punjab	..	..	..	..	..	..	5,000	0	0
Bengal	..	..	..	..	..	..	5,000	0	0
Sind	..	..	..	..	..	..	1,500	0	0
							36,500	0	0
States									
Cochin	..	..	..	..	..	..	1,000	0	0
Baroda	..	..	..	..	..	..	4,500	0	0
Bhopal	..	..	..	..	..	..	3,000	0	0
Mysore	..	..	..	..	..	..	5,000	0	0
Hyderabad	..	..	..	..	..	..	4,000	0	0
							17,500	0	0
Individuals									
Mr. Sharma	..	..	..	..	..	..	50	0	0
Lala Shri Ram	..	..	..	..	..	..	200	0	0
Messrs. Daruwalla Sugar Works	..	..	..	..	..	..	100	0	0
Mr. Ambalal Sarabhai	..	..	..	..	..	..	3,000	0	0
Mr. A. D. Shroff	..	..	..	..	..	..	1,000	0	0
Sir Purshottamdas Thakurdas	..	..	..	..	..	..	500	0	0
Prof. K. T. Shah	..	..	..	..	..	..	2,331	0	0
Assam Association	..	..	..	..	..	..	1,001	0	0
							8,182	0	0
Loan from Messrs. Tata Sons, Ltd.	..	..	..	..	..	..	10,000	0	0
							72,182	0	0

## APPENDIX XI

### NATIONAL PLANNING COMMITTEE SERIES

The 29 Sub-Committee Reports are published in 25 Volumes as in some case Reports of 2 or 3 Sub-Committees had to be combined in a single Volume. The following is a list of the Volumes in the Series in the grouping as originally arranged by the National Planning Committee.

#### Group I

1. Rural Marketing and Finance
2. River Training and Irrigation
3. Soil Conservation and Afforestation
4. Land Policy, Agricultural Labour and Insurance
5. Animal Husbandry and Dairying, Horticulture, and Fishereis (3 Reports in one Volume)
6. Crops—Planning and Production

#### Group II

7. Rural and Cottage Industries
8. Power and Fuel
9. Chemical Industries.
10. Mining and Metallurgical Industries
11. Manufacturing Industries
12. Engineering Industries and Industries connected with Scientific Instruments (2 Reports in one Volume)

#### Group III

13. Labour
14. Population

#### Group IV

15. Trade
16. Industrial Finance
17. Public Finance
18. Currency & Banking
19. Insurance

#### Group V

20. Transport Services
21. Communications

#### Group VI

22. National Housing
23. National Health

#### Group VII

24. Education—General, and Technical (2 Reports in one Volume)

#### Group VIII

25. Woman's Role in Planned Economy  
National Planning, Its Principles and Administration.—  
by Prof. K. T. Shah. Containing the material for 2  
Reports of the 2 Ad Hoc Sub-Committees.



## APPENDIX XII

### THE NATIONAL PLANNING COMMITTEE

The Final Meeting of the National Planning Committee was held in the Prime Minister's Room, Council House, New Delhi, at 11 a.m. on the 26th of March 1949.

The following Members were present:—

The Hon. Pandit Jawaharlal Nehru, Chairman.

Dr. J. C. Ghosh

Dr. V. S. Dubey

Prof. A. K. Shaha

Prof. K. T. Shah, Hon. Gen. Secretary.

The following Resolutions were passed:

I. The Committee considered the Draft Report prepared by the Hon. Gen. Secretary and resolved that the Report be adopted and forwarded by the Chairman, with a covering letter, to the President of the Indian National Congress. A copy of the Report should also be sent to the Government of India.

II. The Committee also considered the publications collectively styled the National Planning Committee Series, embodying in 26 Volumes the Reports of the 29 Sub-Committees appointed by the National Planning Committee. All these Reports of Sub-Committees should be considered as appendices to the Committee's own Report adopted today. These Sub-Committee Reports were prepared by eminent experts in the particular subjects dealt with by them and are not only an important collection of material but also afford the basis for an over-all National Plan. The National Planning Committee does not propose to scrutinise all these separate Reports at this stage or to pronounce judgment on the intrinsic or technical merits of each Report or to coordinate and integrate the recommendations made in those Reports. Circumstances in the country have changed completely since the National Planning Committee was appointed and it is

desirable now that all the data collected should be considered by Governmental or other agencies to be appointed for the purpose of drawing up a National Plan. The Committee, therefore, place the result of their labours before the National Congress, the Central and Provincial Government and the people generally for such use as they deem fit to make of it.

III. This meeting of the National Planning Committee, having considered the Accounts submitted by the Hon. Gen. Secretary, in regard both to the working of the Committee's Office and the Publications, approve the same and adopt them.

The amounts shown on Page 198 of the Draft Report as contributions from individuals, should be treated as Grants, but in regard to the sum of Rs. 2,331/- advanced by Prof. K. T. Shah for the work of the Committee, this being a loan should be refunded to him out of the Funds of the Committee.

IV. The Committee place on record their sense of grateful appreciation of all those Governments of Provinces or States, and Individuals who made substantial financial contributions to facilitate the work of Committee, and keep it alive through all the vicissitudes of the last ten years.

The National Planning Committee directs and authorises the Hon. Gen. Secretary to communicate this Resolution to each such party.

V. The Committee particularly record their keen sense of appreciation of Mr. J. R. D. Tata in obtaining a loan from Messrs. Tata Sons Limited of Rs. 10,000/- to the Hon. Gen. Secretary for meeting the office expenses during the time the several volumes in the Series were being prepared for the Press, edited and brought up-to-date, as also for providing rent-free accommodation to the office of the Committee in the New India Assurance Company's Building, Bombay, from January 1947 to date. The Committee note that this loan has since been repaid.

VI. The National Planning Committee is of opinion that the publication of the various Reports should be continued whenever found necessary and that additional volumes might be prepared to bring the material up-to-date from time to time. For this purpose it is necessary to maintain a small office and to appoint some authority in charge of this office as well as of the funds of the Committee which should be utilised to this end.

This work will necessitate full cooperation with the Central and Provincial Governments and more especially their Statistical Departments.

In order to draw up a Scheme for the continuation of this work as indicated above, a Committee consisting of the persons named below, is constituted:

- 1 The President of the Indian National Congress,
- 2 The Prime Minister of India,
- 3 The Minister for Industries & Supplies, Govt. of India,
- 4 Dr. J. C. Ghosh,
- 5 Prof. K. T. Shah,
- 6 Shri Ambalal Sarabhai.

This Committee shall be called The National Planning Series Committee.

Prof. K. T. Shah will be Secretary of this Committee and will be in charge on behalf of the Committee of the Office and Funds of the Committee. This Committee will continue to function till effect is given to any new Scheme that might be evolved.

VII (i) Out of the surplus funds at the disposal of the Committee, all outstandings due from the Committee, by way of salaries, establishment charges etc. up to the 31st March 1949, should be paid.

(ii) The amount advanced by Prof. K. T. Shah, i.e. Rs. 2,331/- should be repaid to him.

(iii) A bonus of Rs. 5,000/- should be paid to the members of the staff as indicated in a subsequent Resolution.

(iv) The balance of the fund should be used for the maintenance of a small office and for the other purposes mentioned above.

VIII. The Committee recommend that translations of the various Reports in Indian languages should be prepared and published preferably in an abridged form.

IX. The Copyright in the Series, including Rights of Translation, Abridgement, Revision, or new edition shall belong to the Committee set up in a previous Resolution or to any Organisation that may be set up by the Committee.

X. The National Planning Committee puts on record its appreciation of the free and willing service given by all those who helped as members of Sub-Committees, correspondents, or collectors, and compilers of material, data or information, on the subjects coming within the scope of each Sub-Committee's work, and directs the Hon. Gen. Secretary to communicate this Resolution to the people concerned.

XI. The Committee also place on record their keen sense of appreciation and gratitude to the Hon. Pandit Jawaharlal Nehru, Chairman of this Committee, for his inspiration and guidance ever since the inception of this Committee as well as for his close and continued interest all through these years and in the midst of his many exacting duties, in the work of the National Planning Committee till it has come to fruition.

The National Planning Committee place on record their high appreciation of the greatest services rendered by their Honorary General Secretary, Prof. K. T. Shah, to the work of the Committee ever since its inception ten years ago. During this period, which was marked by storm and stress, by world war and by national conflict, the labours of the Committee had to be suspended repeatedly. But throughout these difficult years Prof. K. T. Shah continued to labour in the cause of national planning with great ability, tremendous zeal, persistence and unremitting labour. It was almost entirely because of his devotion to this work

that the Committee continued to function and have produced a notable record of their many-sided activities. This record, which the Committee have no doubt will be of great use in all attempts at National Planning in the future, is essentially the result of the labours of Prof. K. T. Shah and the National Planning Committee record their gratitude to him for this great work.

The Committee are of opinion that a souvenir should be presented to Prof. K. T. Shah, to be purchased out of personal contributions by members of the Committee. For this purpose the following members are formed into a Sub-Committee to take the necessary steps:

The Prime Minister of India.

Mr. A. D. Shroff.

Dr. J. C. Ghosh.

Dr. Syed Mahmud.

The National Planning Committee record their appreciation of the efficiency and intelligence with which the members of the staff have discharged their duties in the office of the National Planning Committee. As a mark of appreciation, it is resolved that the following amounts be distributed among them:

Mrs. M. Pinto	Rs. 2,000
Miss N. Katkar	Rs. 1,500
Miss M. Bhaya	Rs. 1,500

The Committee also place on record their appreciation of the services of Shri S. Krishna Iyer, who was the Chief Ministerial Officer under the Hon. Gen. Secretary almost from the commencement of the regular work of the Committee upto the end of March 1941, and who, even after he ceased to be on the staff of the Planning Committee, continued to render every help and service freely to the Hon. Gen. Secretary.

XII. At the instance of the Government of India (The All-India Council of Technical Education), The National Planning Committee had nominated Prof. K. T. Shah and Dr. J. C. Ghosh to represent the Planning Com-

mittee on that Council. These Members should continue as such and will now represent the National Planning Series Committee on that Council

XIII. The National Planning Committee, having now completed the task entrusted to it in the manner described above, consider their purpose to have been accomplished and accordingly resolve that the Committee be dissolved after submitting their Report to the President of the Indian National Congress who appointed the Committee in the first instance.

The work, office and affairs of the National Planning Committee as such should therefore be wound up at as early a date as possible after the passing of this Resolution and all its rights, property, funds, books, furniture etc. should be transferred to the National Planning Series Committee mentioned above. The Hon. Gen. Secretary is authorised to take all necessary steps in this behalf.

XIV. The draft-Press Note was approved by the Committee.

The Meeting dispersed with a Vote of Thanks to the Chairman.

Bombay, 31st March 1949.

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APPENDIX XIII A.  
CONSOLIDATED ACCOUNT OF THE NATIONAL PLANNING COMMITTEE.  
For the Period 1-1-1939—31-12-1948.

RECEIPTS.	Rs. as. ps.	EXPENDITURE.	Rs. as. ps.
Contributions from Provincial Governments .. ..	37,501 0 0	Honorarium & Salaries .. ..	52,068 13 9
Contributions from States .. ..	17,500 0 0	Stationery & Printing .. ..	6,969 12 11
Contributions from Individuals .. ..	7,181 0 0	Travelling Expenses .. ..	11,327 10 6
Miscellaneous Income .. ..	1,999 7 3	Telephone Charges .. ..	3,261 11 0
*Loan from Tata & Sons Ltd. .. ..	10,000 0 0	Postage .. ..	2,449 2 9
†Transferred from No. II A/C. .. ..	13,800 0 0	Books .. ..	714 3 9
Total .. ..	87,981 7 3	Furniture & Office Equipment etc. .. ..	2,375 15 0
		Sundry Expenses .. ..	2,403 7 9
		Total .. ..	81,570 13 5
		Balance in Hand on 31-12-1948 .. ..	6,410 9 10
		Total .. ..	87,981 7 3

\* Repaid from No. II A/c.

† This represents the A/c of the N. P. C. Series which is maintained separately.

*Hon. Gen. Secretary,  
National Planning Committee.*

*Bombay, 19th March 1949*



# APPENDIX XIII.B.

## SUPPLEMENTARY CONSOLIDATED OF THE NATIONAL PLANNING COMMITTEE.

For the Period 1-1-1949 to 31-3-1949.

RECEIPTS.	Rs. as. ps.	EXPENDITURE.	Rs. as. ps.
Balance brought forward .. ..	6,410 9 10	Salaries for Jan., Feb., & March ..	1,890 0 0
Proceeds from sale of one old Remington Typewriter and Writ- ing table .. ..	140 0 0	Stationery .. ..	44 13 6
		Telephones .. ..	108 12 0
		Miscellaneous .. ..	46 6 0
Total ..	6,550 9 10	Travelling Expenses .. ..	500 0 0
			2,589 15 6
		Balance on hand 31-3-1949 ..	3,960 10 4
		Total ..	6,550 9 10

K. T. SHAH,

*Hon. General Secretary,*

The National Planning Committee.

*Bombay, 31st March, 1949.*

## APPENDIX XIII C.

## Statement of Cost of Production and Sales Submitted by the Publishers, Messrs. Vora &amp; Company to the National Planning Committee for the period ending 28-2-49.

DEBIT.	Rs. as. ps.	CREDIT.	Rs. as. ps.
Cost of 44926 volumes of the 26 reports of National Planning Committee including reprints as per Statements given .. ..	76,202 10 0	By sale of 18151 volumes at the nett price of Rs. 4 .. .. (Sale of 23 volumes only is given in this period. Sales of volumes on Public Finance, Transport and National Health are yet to come.)	72,604 0 0
		To N. P. C's subscription account for whole sets. Total number of subscribers 680 at Rs. 120 each ..	75,600 0 0
			<hr/> 1,48,204 0 0
		Less—Cost of production ..	76,202 10 0
		Nett Profit .. ..	<hr/> 72,001 6 0
		Half Profit to N. P. C. ..	<hr/> 36,000 11 0

DEBIT.	Rs. as. ps.	CREDIT	Rs. as. ps.
For 680 subscribers at Rs. 120 each	75,600 0 0	Red. from N. P. C. by cheques from time to time upto 1-9-48 ..	45,000 0 0
		Half Profit to their share ..	36,000 11 0
		Rs.	81,000 11 0
		Loss—Subscribers A/C. ..	75,600 0 0
		Balance due to N. P. C. on 1-3-49..	5,400 11 0

Observations.

- (1) The accounts presume that all the outstandings on account of subscribers are realised or will be realised by N. P. C.
- (2) The volumes in stock with the publishers include about 1,500 volumes which are on sales account with Railway bookstalls and booksellers. They number 15147.
- (3) Currency and Banking, and Public Finance have been sent as combined volume to the subscribers and not as separate volumes. This extra edition has been given to the subscribers as the series goes to 26 volumes if those volumes are counted separately.
- (4) The account given above is provisional in the sense that certain adjustments will have to be made, and further that the amounts outstanding by way of balance due from subscribers to the full sets are yet to be realised.

## APPENDIX XIV

### PRESS NOTE

*Re: National Planning Committee.*

The National Planning Committee, appointed by the then Congress President over ten years ago, held its final meeting in the Council House, New Delhi, on Saturday the 26th March 1949, under the chairmanship of Pandit Jawaharlal Nehru. Soon after it started work towards the close of 1938, the Committee prepared an exhaustive Questionnaire, covering all phases and aspects of the national life, and embracing all sectors of the national economy; appointed 29 Sub-Committees, with detailed, elaborate Terms of Reference to each, and entrusted each to a personnel containing the leading scientists, economists, educationists, industrialists and leaders of public opinion in the country; defined its own objectives; laid out a bold code of wide instructions for the guidance of these Sub-Committees; and prescribed clearcut norms and stages for the completion of its comprehensive task.

The Sub-Committee started work immediately after, and as each Report was submitted, it was considered by the full Planning Committee in full Sessions. The War and political developments, however, impeded the work and led to its complete suspension after the arrest of the Chairman in 1940. After the formation of the Interim Government in August 1946, the question was once again taken up, and as a first step it was decided to edit, bring up-to-date and publish the Reports of the Sub-Committees. Not all Reports had been submitted finally when the Committee's work had had to be suspended; but whether interim or final or no report at all, the work of such sub-committee was brought together, edited, brought up-to-date and published in the National Planning Committee Series.

There are now published in that Series 26 Volumes containing the Reports of the 29 original Sub-Committees and 2 Ad Hoc Sub-Committees detailed below:

1. Manufacturing Industries
2. Chemical Industries
3. Population
4. Trade
5. Power and Fuel
6. Woman's Role in Planned Economy
7. Rural Marketing and Finance
8. Labour
9. River Training and Irrigation
10. Animal Husbandry & Dairying  
Fisheries  
Horticulture
11. National Housing
12. Education (General & Technical)
13. Communications
14. Engineering Industries  
Industries connected with Scientific Instruments
15. Mining and Metallurgy
16. Soil Conservation and Afforestation
17. Insurance
18. Land Policy, Agricultural Labour and Insurance
19. Rural and Cottage Industries
20. Industrial Finance
21. Crops—Planning and Production
22. Currency and Banking
23. Public Finance
24. Transport Services
25. National Health
26. National Planning, Its Principles & Administration.

The Committee's immediate task is thus completed. Many of the Reports still remain to be integrated, their suggestions and recommendations co-ordinated, and an over-all National Plan prepared. Under the changed

circumstances of today, the Committee considers it unnecessary to do this, as this function of right belongs to the Government of the country. Nevertheless, as it is desirable to keep up-to-date the material collected and published in this Series, the Committee have resolved to appoint a Committee of the following:—

1. The President of the Indian National Congress
2. The Prime Minister of India
3. The Minister of Industries and Supplies
4. Prof. K. T. Shah
5. Dr. J. C. Ghosh
6. Shri Ambalal Sarabhai

which will draw up a Scheme for this proposal and meanwhile carry on the work in connection with the Series.

The result of this effort has been not only the publication of an encyclopaedia of national economy, but also a net surplus after paying all expenses for maintaining the office of the Committee and doing all work needed for the preparation of the material for the Press. The Committee has accordingly warmly appreciated the services of all those members of the Sub-Committees who had devoted such selfless labour to their honorary work; and more specially the work of the Chairman and the Honorary General Secretary; also of the staff helping the Hon. Gen. Secretary in his work.

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## APPENDIX XV

### CONGRESS APPOINTS NEW BODY

The Congress Working Committee expressed its "high appreciation of the good work done by the National Planning Committee."

The Committee adopted a resolution accepting the National Planning Committee's proposal to maintain an up-to-date series of reports on various phases of national planning.

In order to draw up a scheme for the continuation of this work, a Committee consisting of the President of the Indian National Congress, the Prime Minister of India, the Minister of Industries and Supplies, Dr. J. C. Ghosh, Mr. Ambalal Sarabhai and Prof. K. T. Shah was appointed.

The Committee will be called the National Planning Series Committee, Prof. Shah will be its Secretary and will be in charge, on behalf of the National Planning Committee, of the office and funds of the Committee.

